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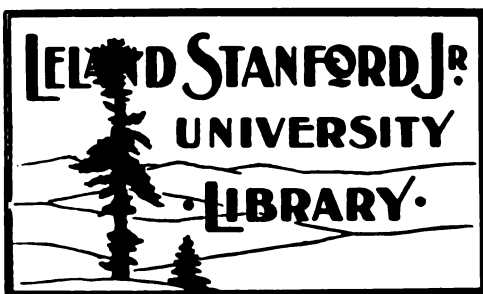
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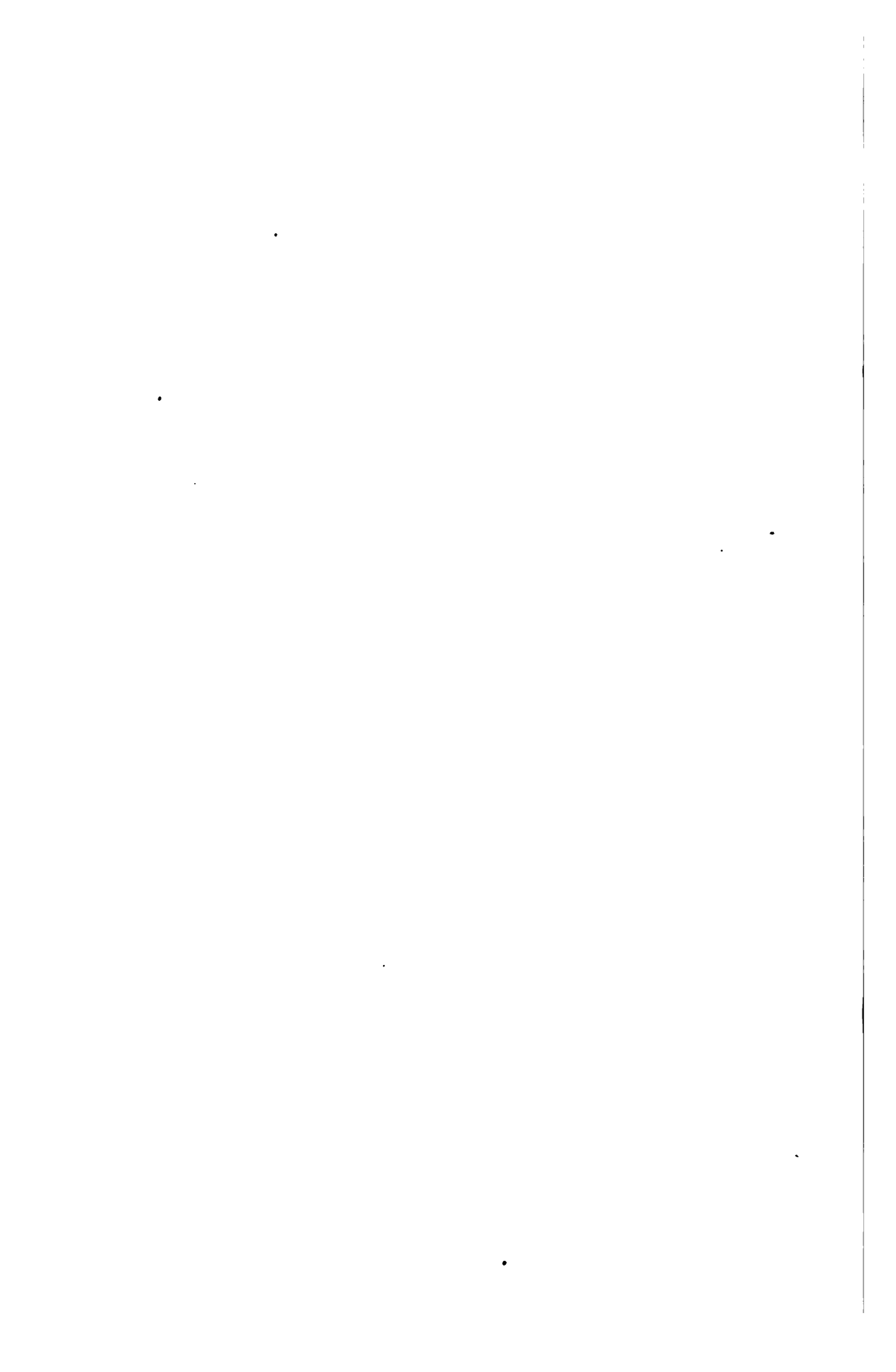




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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES

TO

THE TWO HOUSES OF CONGRESS

AT THE COMMENCEMENT OF THE

THIRD SESSION OF THE FORTY-FIRST CONGRESS,

WITH THE

REPORTS OF THE HEADS OF DEPARTMENTS

AND

SELECTIONS FROM ACCOMPANYING DOCUMENTS.

EDITED BY

BEN: PERLEY POORE,
CLERK OF PRINTING RECORDS.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1871.

Q. 40869

Prepared in accordance with the following provisions of "An act to expedite and regulate the printing of public documents, and for other purposes," approved June 25, 1864:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter, instead of furnishing manuscript copies of the documents usually accompanying their annual reports to each House of Congress, the heads of the several Departments of Government shall transmit them, on or before the first day of November in each year, to the Superintendent of Public Printing, who shall cause to be printed the usual number, and, in addition thereto, one thousand copies for the use of the Senate and two thousand copies for the use of the House of Representatives. And that it shall be the duty of the Joint Committee on Printing to appoint some competent person, who shall edit and select such portions of the documents so placed in their hands as shall, in the judgment of the committee, be desirable for popular distribution, and to prepare an alphabetical index to the same.

SEC. 3. *And be it further enacted,* That it shall be the duty of the heads of the several Departments of Government to furnish the Superintendent of Public Printing with copies of their respective reports on or before the third Monday in November in each year.

SEC. 4. *And be it further enacted,* That it shall be the duty of the Superintendent of Public Printing to print the President's message, the reports of the heads of Departments, and the abridgment of accompanying documents prepared under the direction of the Joint Committee on Public Printing, suitably bound; and that, in addition to the number now required by law, and unless otherwise ordered by either House of Congress, it shall be his duty to print ten thousand copies of the same for the use of the Senate and twenty-five thousand copies for the use of the House, and to deliver the same to the proper officer of each House, respectively, on or before the third Wednesday in December following the assembling of Congress, or as soon thereafter as practicable.

MESSAGE
OF THE
PRESIDENT OF THE UNITED STATES.

To the Senate and House of Representatives :

A year of peace and general prosperity to this nation has passed since the last assembling of Congress. We have, through a kind Providence, been blessed with abundant crops, and have been spared from complications and war with foreign nations. In our midst comparative harmony has been restored. It is to be regretted, however, that a free exercise of the elective franchise has, by violence and intimidation, been denied to citizens in exceptional cases in several of the States lately in rebellion, and the verdict of the people has thereby been reversed. The States of Virginia, Mississippi, and Texas have been restored to representation in our national councils. Georgia, the only State now without representation, may confidently be expected to take her place there also at the beginning of the new year ; and then, let us hope, will be completed the work of reconstruction. With an acquiescence on the part of the whole people in the national obligation to pay the public debt, created as the price of our Union ; the pensions to our disabled soldiers and sailors, and their widows and orphans ; and in the changes to the Constitution which have been made necessary by a great rebellion, there is no reason why we should not advance in material prosperity and happiness, as no other nation ever did, after so protracted and devastating a war.

Soon after the existing war broke out in Europe the protection of the United States minister in Paris was invoked in favor of North Germans domiciled in French territory. Instructions were issued to grant the protection. This has been followed by an extension of American protection to citizens of Saxony, Hesse and Saxe-Coburg, Gotha, Colombia, Portugal, Uruguay, the Dominican Republic, Ecuador, Chili, Paraguay, and Venezuela, in Paris. The charge was an onerous one, requiring constant and severe labor, as well as the exercise of patience, prudence, and good judgment. It has been performed to the entire satisfaction of this Government, and, as I am officially informed, equally so to the satisfaction of the government of North Germany.

As soon as I learned that a republic had been proclaimed at Paris, and that the people of France had acquiesced in the change, the minister of the United States was directed by telegraph to recognize it, and

to tender my congratulations and those of the people of the United States. The reestablishment in France of a system of government disconnected with the dynastic traditions of Europe appeared to be a proper subject for the felicitations of Americans. Should the present struggle result in attaching the hearts of the French to our simpler forms of representative government, it will be a subject of still further satisfaction to our people. While we make no effort to impose our institutions upon the inhabitants of other countries, and while we adhere to our traditional neutrality in civil contests elsewhere, we cannot be indifferent to the spread of American political ideas in a great and highly civilized country like France.

We were asked by the new government to use our good offices, jointly with those of European powers, in the interests of peace. Answer was made that the established policy and the true interests of the United States forbade them to interfere in European questions jointly with European powers. I ascertained, informally and unofficially, that the government of North Germany was not then disposed to listen to such representations from any power, and though earnestly wishing to see the blessings of peace restored to the belligerents, with all of whom the United States are on terms of friendship, I declined, on the part of this Government, to take a step which could only result in injury to our true interests, without advancing the object for which our intervention was invoked. Should the time come when the action of the United States can hasten the return of peace, by a single hour, that action will be heartily taken. I deemed it prudent, in view of the number of persons of German and French birth living in the United States, to issue, soon after official notice of a state of war had been received from both belligerents, a proclamation, defining the duties of the United States as a neutral and the obligations of persons residing within their territory, to observe their laws and the laws of nations. This proclamation was followed by others, as circumstances seemed to call for them. The people, thus acquainted, in advance, of their duties and obligations, have assisted in preventing violations of the neutrality of the United States.

It is not understood that the condition of the insurrection in Cuba has materially changed since the close of the last session of Congress. In an early stage of the contest the authorities of Spain inaugurated a system of arbitrary arrests, of close confinement and of military trial, and execution of persons suspected of complicity with the insurgents, and of summary embargo of their properties, and sequestration of their revenues by executive warrant. Such proceedings, so far as they affected the persons or property of citizens of the United States, were in violation of the provisions of the treaty of 1795 between the United States and Spain. Representations of injuries resulting to several persons claiming to be citizens of the United States, by reason of such violations, were made to the Spanish government. From April 1869

to June last the Spanish minister at Washington had been clothed with a limited power to aid in redressing such wrongs. That power was found to be withdrawn, "in view," as it was said, "of the favorable situation in which the Island of Cuba" then "was;" which, however, did not lead to a revocation or suspension of the extraordinary and arbitrary functions exercised by the executive power in Cuba, and we were obliged to make our complaints at Madrid. In the negotiations thus opened, and still pending there, the United States only claimed that, for the future, the rights secured to their citizens by treaty should be respected in Cuba, and that, as to the past, a joint tribunal should be established in the United States, with full jurisdiction over all such claims. Before such an impartial tribunal each claimant would be required to prove his case. On the other hand, Spain would be at liberty to traverse every material fact, and thus complete equity would be done. A case which, at one time, threatened seriously to affect the relations between the United States and Spain has already been disposed of in this way. The claim of the owners of the Colonel Lloyd Aspinwall, for the illegal seizure and detention of that vessel, was referred to arbitration, by mutual consent, and has resulted in an award to the United States, for the owners, of the sum of nineteen thousand seven hundred and two dollars and fifty cents, in gold. Another and long pending claim of like nature, that of the whaleship Canada, has been disposed of by friendly arbitrament during the present year. It was referred, by the joint consent of Brazil and the United States, to the decision of Sir Edward Thornton, her Britannic Majesty's minister at Washington, who kindly undertook the laborious task of examining the voluminous mass of correspondence and testimony submitted by the two governments, and awarded to the United States the sum of one hundred thousand and seven hundred and forty dollars and nine cents, in gold, which has since been paid by the imperial government. These recent examples show that the mode which the United States have proposed to Spain for adjusting the pending claims is just and feasible, and that it may be agreed to by either nation without dishonor. It is to be hoped that this moderate demand may be acceded to by Spain without further delay. Should the pending negotiations, unfortunately and unexpectedly, be without result, it will then become my duty to communicate that fact to Congress and invite its action on the subject.

The long deferred peace conference between Spain and the allied South American republics has been inaugurated in Washington under the auspices of the United States. Pursuant to the recommendation contained in the resolution of the House of Representatives, of the 17th of December 1866, the Executive Department of the Government offered its friendly offices for the promotion of peace and harmony between Spain and the allied republics. Hesitations and obstacles occurred to the acceptance of the offer. Ultimately, however, a conference was

arranged, and was opened in this city on the 29th of October last, at which I authorized the Secretary of State to preside. It was attended by the ministers of Spain, Peru, Chili, and Ecuador. In consequence of the absence of a representative from Bolivia the conference was adjourned until the attendance of a plenipotentiary from that republic could be secured, or other measures could be adopted toward compassing its objects.

The allied and other republics of Spanish origin, on this continent, may see in this fact a new proof of our sincere interest in their welfare; of our desire to see them blessed with good governments, capable of maintaining order and of preserving their respective territorial integrity; and of our sincere wish to extend our own commercial and social relations with them. The time is not probably far distant when, in the natural course of events, the European political connection with this continent will cease. Our policy should be shaped, in view of this probability, so as to ally the commercial interests of the Spanish American States more closely to our own, and thus give the United States all the preëminence and all the advantage which Mr. Monroe, Mr. Adams, and Mr. Clay contemplated when they proposed to join in the Congress of Panama.

During the last session of Congress a treaty for the annexation of the Republic of San Domingo to the United States failed to receive the requisite two-thirds vote of the Senate. I was thoroughly convinced then that the best interests of this country, commercially and materially, demanded its ratification. Time has only confirmed me in this view. I now firmly believe that the moment it is known that the United States have entirely abandoned the project of accepting, as a part of its territory, the Island of San Domingo, a free port will be negotiated for by European nations in the Bay of Samana. A large commercial city will spring up, to which we will be tributary without receiving corresponding benefits, and then will be seen the folly of our rejecting so great a prize. The government of San Domingo has voluntarily sought this annexation. It is a weak power, numbering probably less than one hundred and twenty thousand souls, and yet possessing one of the richest territories under the sun, capable of supporting a population of ten millions of people in luxury. The people of San Domingo are not capable of maintaining themselves in their present condition, and must look for outside support. They yearn for the protection of our free institutions and laws; our progress and civilization. Shall we refuse them?

The acquisition of San Domingo is desirable because of its geographical position. It commands the entrance to the Caribbean Sea and the Isthmus transit of commerce. It possesses the richest soil, best and most capacious harbors, most salubrious climate, and the most valuable products of the forest, mine, and soil of any of the West India Islands. Its possession by us will in a few years build up a coastwise commerce of immense magnitude, which will go far toward restoring to us our

lost merchant marine. It will give to us those articles which we consume so largely and do not produce, thus equalizing our exports and imports. In case of foreign war it will give us command of all the islands referred to, and thus prevent an enemy from ever again possessing himself of rendezvous upon our very coast. At present our coast trade between the States bordering on the Atlantic and those bordering on the Gulf of Mexico is cut into by the Bahamas and the Antilles. Twice we must, as it were, pass through foreign countries to get, by sea, from Georgia to the west coast of Florida.

San Domingo with a stable government, under which her immense resources can be developed, will give remunerative wages to tens of thousands of laborers not now upon the island. This labor will take advantage of every available means of transportation to abandon the adjacent islands and seek the blessings of freedom and its sequence—each inhabitant receiving the reward of his own labor. Porto Rico and Cuba will have to abolish slavery, as a measure of self-preservation, to retain their laborers.

San Domingo will become a large consumer of the products of Northern farms and manufactories. The cheap rate at which her citizens can be furnished with food, tools, and machinery will make it necessary that contiguous islands should have the same advantages, in order to compete in the production of sugar, coffee, tobacco, tropical fruits, &c. This will open to us a still wider market for our products. The production of our own supply of these articles will cut off more than one hundred millions of our annual imports, besides largely increasing our exports. With such a picture it is easy to see how our large debt abroad is ultimately to be extinguished. With a balance of trade against us (including interest on bonds held by foreigners and money spent by our citizens traveling in foreign lands) equal to the entire yield of the precious metals in this country it is not so easy to see how this result is to be otherwise accomplished.

The acquisition of San Domingo is an adherence to the "Monroe doctrine;" it is a measure of national protection; it is asserting our just claim to a controlling influence over the great commercial traffic soon to flow from west to east, by way of the Isthmus of Darien; it is to build up our merchant marine; it is to furnish new markets for the products of our farms, shops, and manufactories; it is to make slavery insupportable in Cuba and Porto Rico at once, and ultimately so in Brasil; it is to settle the unhappy condition of Cuba and end an exterminating conflict; it is to provide honest means of paying our honest debts without overtaxing the people; it is to furnish our citizens with the necessities of every-day life at cheaper rates than ever before; and it is, in fine, a rapid stride toward that greatness which the intelligence, industry, and enterprise of the citizens of the United States entitle this country to assume among nations.

In view of the importance of this question I earnestly urge upon Con-

gress early action, expressive of its views as to the best means of acquiring San Domingo. My suggestion is that, by joint resolution of the two houses of Congress, the Executive be authorized to appoint a commission to negotiate a treaty with the authorities of San Domingo for the acquisition of that island, and that an appropriation be made to defray the expenses of such commission. The question may then be determined, either by the action of the Senate upon the treaty or the joint action of the two houses of Congress, upon a resolution of annexation, as in the case of the acquisition of Texas. So convinced am I of the advantages to flow from the acquisition of San Domingo, and of the great disadvantages, I might almost say calamities, to flow from non-acquisition, that I believe the subject has only to be investigated to be approved.

It is to be regretted that our representations in regard to the injurious effects, especially upon the revenue of the United States, of the policy of the Mexican government, in exempting from impost duties a large tract of its territory on our borders, have not only been fruitless, but that it is even proposed, in that country, to extend the limits within which the privilege adverted to has hitherto been enjoyed. The expediency of taking into your serious consideration proper measures for countervailing the policy referred to will, it is presumed, engage your earnest attention.

It is the obvious interest, especially of neighboring nations, to provide against impunity to those who may have committed high crimes within their borders, and who may have sought refuge abroad. For this purpose extradition treaties have been concluded with several of the Central American republics, and others are in progress.

The sense of Congress is desired, as early as may be convenient, upon the proceedings of the commission on claims against Venezuela, as communicated in my messages of March 16, 1869, March 1, 1870, and March 31, 1870. It has not been deemed advisable to distribute any of the money which has been received from that government until Congress shall have acted on the subject.

The massacres of French and Russian residents at Tien-Tsin, under circumstances of great barbarity, were supposed by some to have been premeditated, and to indicate a purpose among the populace to exterminate foreigners in the Chinese Empire. The evidence fails to establish such a supposition, but shows a complicity between the local authorities and the mob. The government at Peking, however, seems to have been disposed to fulfill its treaty obligations so far as it was able to do so. Unfortunately, the news of the war between the German states and France reached China soon after the massacre. It would appear that the popular mind became possessed with the idea that this contest, extending to Chinese waters, would neutralize the Christian influence and power, and that the time was coming when the superstitious masses might expel all foreigners and restore mandarin influence. Anticipating

trouble from this cause I invited France and North Germany to make an authorized suspension of hostilities in the East, (where they were temporarily suspended by act of the commanders,) and to act together for the future protection, in China, of the lives and properties of Americans and Europeans.

Since the adjournment of Congress the ratifications of the treaty with Great Britain, for abolishing the mixed courts for the suppression of the slave trade, have been exchanged. It is believed that the slave trade is now confined to the eastern coast of Africa, whence the slaves are taken to Arabian markets.

The ratifications of the naturalization convention between Great Britain and the United States have also been exchanged during the recess; and thus, a long standing dispute between the two governments has been settled, in accordance with the principles always contended for by the United States.

In April last, while engaged in locating a military reservation near Pembina, a corps of engineers discovered that the commonly-received boundary line between the United States and the British possessions at that place, is about forty-seven hundred feet south of the true position of the forty-ninth parallel, and that the line, when run on what is now supposed to be the true position of that parallel, would leave the fort of the Hudson's Bay Company, at Pembina, within the territory of the United States. This information being communicated to the British government, I was requested to consent, and did consent, that the British occupation of the fort of the Hudson's Bay Company should continue for the present. I deem it important, however, that this part of the boundary line should be definitely fixed by a joint commission of the two governments, and I submit herewith estimates of the expense of such a commission on the part of the United States, and recommend that an appropriation be made for that purpose. The land boundary has already been fixed and marked from the summit of the Rocky Mountains to the Georgian Bay. It should now be, in like manner, marked from the Lake of the Woods to the summit of the Rocky Mountains.

I regret to say that no conclusion has been reached for the adjustment of the claims against Great Britain, growing out of the course adopted by that government during the rebellion. The cabinet of London, so far as its views have been expressed, does not appear to be willing to concede that her Majesty's government was guilty of any negligence, or did or permitted any act during the war, by which the United States has just cause of complaint. Our firm and unalterable convictions are directly the reverse. I therefore recommend to Congress to authorize the appointment of a commission to take proof of the amounts, and the ownership of these several claims, on notice to the representative of her Majesty at Washington, and that authority be given for the settlement of these claims by the United States, so that the Government shall have the ownership of the private claims, as well as the responsible control

of all the demands against Great Britain. It cannot be necessary to add that, whenever her Majesty's government shall entertain a desire for a full and friendly adjustment of these claims, the United States will enter upon their consideration with an earnest desire for a conclusion consistent with the honor and dignity of both nations.

The course pursued by the Canadian authorities toward the fishermen of the United States during the past season has not been marked by a friendly feeling. By the first article of the convention of 1818, between Great Britain and the United States, it was agreed that the inhabitants of the United States should have forever, in common with British subjects, the right of taking fish in certain waters therein defined. In the waters not included in the limits named in the convention (within three miles of parts of the British coast) it has been the custom for many years to give to intruding fishermen of the United States a reasonable warning of their violation of the technical rights of Great Britain. The imperial government is understood to have delegated the whole or a share of its jurisdiction or control of these in-shore fishing-grounds to the colonial authority known as the Dominion of Canada, and this semi-independent but irresponsible agent has exercised its delegated powers in an unfriendly way. Vessels have been seized without notice or warning, in violation of the custom previously prevailing, and have been taken into the colonial ports, their voyages broken up, and the vessels condemned. There is reason to believe that this unfriendly and vexatious treatment was designed to bear harshly upon the hardy fishermen of the United States, with a view to political effect upon this Government. The statutes of the Dominion of Canada assume a still broader and more untenable jurisdiction over the vessels of the United States. They authorize officers or persons to bring vessels hovering within three marine miles of any of the coasts, bays, creeks, or harbors of Canada into port, to search the cargo, to examine the master on oath touching the cargo and voyage, and to inflict upon him a heavy pecuniary penalty if true answers are not given; and if such a vessel is found "preparing to fish" within three marine miles of any of such coasts, bays, creeks, or harbors without a license, or after the expiration of the period named in the last license granted to it, they provide that the vessel, with her tackle, &c., shall be forfeited. It is not known that any condemnations have been made under this statute. Should the authorities of Canada attempt to enforce it, it will become my duty to take such steps as may be necessary to protect the rights of the citizens of the United States.

It has been claimed by her Majesty's officers that the fishing vessels of the United States have no right to enter the open ports of the British possessions in North America, except for the purposes of shelter and repairing damages, of purchasing wood, and obtaining water; that they have no right to enter at the British custom-houses or to trade there except in the purchase of wood and water; and that they must depart

within twenty-four hours after notice to leave. It is not known that any seizure of a fishing vessel, carrying the flag of the United States, has been made under this claim. So far as the claim is founded on an alleged construction of the convention of 1818, it cannot be acquiesced in by the United States. It is hoped that it will not be insisted on by her Majesty's government.

During the conferences which preceded the negotiation of the convention of 1818, the British commissioners proposed to expressly exclude the fishermen of the United States from "the privilege of carrying on trade with any of his Britannic Majesty's subjects residing within the limits assigned for their use;" and also that it should not be "lawful for the vessels of the United States, engaged in said fishery, to have on board any goods, wares, or merchandise whatever, except such as may be necessary for the prosecution of their voyages to and from the said fishing-grounds. And any vessel of the United States which shall contravene this regulation may be seized, condemned, and confiscated with her cargo."

This proposition, which is identical with the construction now put upon the language of the convention, was emphatically rejected by the American commissioners, and thereupon was abandoned by the British plenipotentiaries, and Article I, as it stands in the convention, was substituted.

If, however, it be said that this claim is founded on provincial or colonial statutes, and not upon the convention, this Government cannot but regard them as unfriendly, and in contravention of the spirit, if not of the letter, of the treaty, for the faithful execution of which the imperial government is alone responsible.

Anticipating that an attempt may possibly be made by the Canadian authorities in the coming season to repeat their unneighborly acts toward our fishermen, I recommend you to confer upon the Executive the power to suspend, by proclamation, the operation of the laws authorizing the transit of goods, wares, and merchandise in bond across the territory of the United States to Canada; and further, should such an extreme measure become necessary, to suspend the operation of any laws whereby the vessels of the Dominion of Canada are permitted to enter the waters of the United States.

A like unfriendly disposition has been manifested on the part of Canada in the maintenance of a claim of right to exclude the citizens of the United States from the navigation of the St. Lawrence. This river constitutes a natural outlet to the ocean for eight States with an aggregate population of about seventeen million six hundred thousand inhabitants, and with an aggregate tonnage of six hundred and sixty-one thousand three hundred and sixty-seven tons upon the waters which discharge into it. The foreign commerce of our ports on these waters is open to British competition, and the major part of it is done in British bottoms.

If the American seamen be excluded from this natural avenue to the ocean, the monopoly of the direct commerce of the lake ports with the Atlantic would be in foreign hands; their vessels on transatlantic voyages having an access to our lake ports which would be denied to American vessels on similar voyages. To state such a proposition is to refute its justice.

During the administration of Mr. John Quincy Adams, Mr. Clay unanswerably demonstrated the natural right of the citizens of the United States to the navigation of this river, claiming that the act of the congress of Vienna, in opening the Rhine and other rivers to all nations, showed the judgment of European jurists and statesmen that the inhabitants of a country through which a navigable river passes have a natural right to enjoy the navigation of that river to and into the sea, even though passing through the territories of another power. This right does not exclude the co-equal right of the sovereign possessing the territory through which the river debouches into the sea to make such regulations relative to the police of the navigation as may be reasonably necessary; but those regulations should be framed in a liberal spirit of comity, and should not impose needless burdens upon the commerce which has the right of transit. It has been found in practice more advantageous to arrange these regulations by mutual agreement. The United States are ready to make any reasonable arrangement, as to the police of the St. Lawrence, which may be suggested by Great Britain.

If the claim made by Mr. Clay was just when the population of States bordering on the shores of the lakes was only three million four hundred thousand, it now derives greater force and equity from the increased population, wealth, production, and tonnage of the States on the Canadian frontier. Since Mr. Clay advanced his argument in behalf of our right the principle for which he contended has been frequently, and by various nations, recognized by law or by treaty, and has been extended to several other great rivers. By the treaty concluded at Mayence, in 1831, the Rhine was declared free from the point where it is first navigable into the sea. By the convention between Spain and Portugal, concluded in 1835, the navigation of the Douro, throughout its whole extent, was made free for the subjects of both crowns. In 1853 the Argentine Confederation by treaty threw open the free navigation of the Parana and the Uruguay to the merchant vessels of all nations. In 1856 the Crimean war was closed by a treaty which provided for the free navigation of the Danube. In 1858 Bolivia, by treaty, declared that it regarded the rivers Amazon and La Plata, in accordance with fixed principles of national law, as highways or channels, opened by nature, for the commerce of all nations. In 1859 the Paraguay was made free by treaty, and in December 1866 the Emperor of Brazil, by imperial decree, declared the Amazon to be open, to the frontier of Brazil, to the merchant ships of all nations. The greatest

living British authority on this subject, while asserting the abstract right of the British claim, says: "It seems difficult to deny that Great Britain may ground her refusal upon strict *law*, but it is equally difficult to deny, first, that in so doing she exercises harshly an extreme and hard law; secondly, that her conduct with respect to the navigation of the St. Lawrence is in glaring and discreditable inconsistency with her conduct with respect to the navigation of the Mississippi. On the ground that she possessed a small domain, in which the Mississippi took its rise, she insisted on the right to navigate the entire volume of its waters. On the ground that she possesses both banks of the St. Lawrence, where it disembogues itself into the sea, she denies to the United States the right of navigation, though about one-half of the waters of Lakes Ontario, Erie, Huron, and Superior, and the whole of Lake Michigan, through which the river flows, are the property of the United States."

The whole nation is interested in securing cheap transportation from the agricultural States of the West to the Atlantic seaboard. To the citizens of those States it secures a greater return for their labor; to the inhabitants of the seaboard it affords cheaper food; to the nation, an increase in the annual surplus of wealth. It is hoped that the government of Great Britain will see the justice of abandoning the narrow and inconsistent claim to which her Canadian provinces have urged her adherence.

Our depressed commerce is a subject to which I called your special attention at the last session, and suggested that we will in the future have to look more to the countries south of us, and to China and Japan, for its revival. Our representatives to all these governments have exerted their influence to encourage trade between the United States and the countries to which they are accredited. But the fact exists that the carrying is done almost entirely in foreign bottoms, and while this state of affairs exists we cannot control our due share of the commerce of the world. That between the Pacific States and China and Japan is about all the carrying trade now conducted in American vessels. I would recommend a liberal policy toward that line of American steamers, one that will insure its success and even increased usefulness.

The cost of building iron vessels, the only ones that can compete with foreign ships in the carrying trade, is so much greater in the United States than in foreign countries that, without some assistance from the Government, they cannot be successfully built here. There will be several propositions laid before Congress in the course of the present session looking to a remedy for this evil. Even if it should be at some cost to the National Treasury, I hope such encouragement will be given as will secure American shipping on the high seas and American ship-building at home.

The condition of the archives at the Department of State calls for the early action of Congress. The building now rented by that Department

is a frail structure, at an inconvenient distance from the Executive Mansion and from the other Departments, is ill adapted to the purpose for which it is used, has not capacity to accommodate the archives, and is not fire-proof. Its remote situation, its slender construction, and the absence of a supply of water in the neighborhood, leave but little hope of safety for either the building or its contents in case of the accident of a fire. Its destruction would involve the loss of the rolls containing the original acts and resolutions of Congress, of the historic records of the Revolution and of the Confederation, of the whole series of diplomatic and consular archives since the adoption of the Constitution, and of the many other valuable records and papers left with that Department when it was the principal depository of the governmental archives. I recommend an appropriation for the construction of a building for the Department of State.

I recommend to your consideration the propriety of transferring to the Department of the Interior, to which they seem more appropriately to belong, all powers and duties in relation to the Territories, with which the Department of State is now charged by law or usage; and from the Interior Department to the War Department the Pension Bureau, so far as it regulates the payment of soldiers' pensions. I would further recommend that the payment of naval pensions be transferred to one of the Bureaus of the Navy Department.

The estimates for the expenses of the Government for the next fiscal year are eighteen million two hundred and forty-four thousand three hundred and forty-six dollars and one cent less than for the current one, but exceed the appropriations for the present year, for the same items, eight million nine hundred and seventy-two thousand one hundred and twenty-seven dollars and fifty-six cents. In this estimate, however, is included twenty-two million three hundred and thirty-eight thousand two hundred and seventy-eight dollars and thirty-seven cents for public works heretofore begun under congressional provision, and of which only so much is asked as Congress may choose to give. The appropriation for the same works for the present fiscal year was eleven million nine hundred and eighty-four thousand five hundred and eighteen dollars and eight cents.

The average value of gold as compared with national currency, for the whole of the year 1869, was about one hundred and thirty-four, and for eleven months of 1870 the same relative value has been about one hundred and fifteen. The approach to a specie basis is very gratifying, but the fact cannot be denied that the instability of the value of our currency is prejudicial to our prosperity, and tends to keep up prices to the detriment of trade. The evils of a depreciated and fluctuating currency are so great that now, when the premium on gold has fallen so much, it would seem that the time has arrived when, by wise and prudent legislation, Congress should look to a policy which would place our currency at par with gold at no distant day.

The tax collected from the people has been reduced more than eighty millions of dollars per annum. By steadiness in our present course, there is no reason why, in a few short years, the national tax-gatherer may not disappear from the door of the citizen almost entirely. With the revenue stamp dispensed by postmasters in every community; a tax upon liquors of all sorts, and tobacco in all its forms; and by a wise adjustment of the tariff, which will put a duty only upon those articles which we could dispense with, known as luxuries, and on those which we use more of than we produce, revenue enough may be raised, after a few years of peace and consequent reduction of indebtedness, to fulfill all our obligations. A further reduction of expenses, in addition to a reduction of interest account, may be relied on to make this practicable. Revenue reform, if it means this, has my hearty support. If it implies a collection of all the revenue for the support of Government, for the payment of principal and interest of the public debt, pensions, &c., by directly taxing the people, then I am against revenue reform, and confidently believe the people are with me. If it means failure to provide the necessary means to defray all the expenses of Government, and thereby repudiation of the public debt and pensions, then I am still more opposed to such kind of revenue reform. Revenue reform, has not been defined by any of its advocates, to my knowledge; but seems to be accepted as something which is to supply every man's wants without any cost or effort on his part.

A true revenue reform cannot be made in a day, but must be the work of national legislation and of time. As soon as the revenue can be dispensed with, all duty should be removed from coffee, tea, and other articles of universal use not produced by ourselves. The necessities of the country compel us to collect revenue from our imports. An army of assessors and collectors is not a pleasant sight to the citizen, but that or a tariff for revenue is necessary. Such a tariff, so far as it acts as an encouragement to home production, affords employment to labor at living wages, in contrast to the pauper labor of the Old World, and also in the development of home resources.

Under the act of Congress of the 15th day of July, 1870, the Army has gradually been reduced, so that, on the 1st day of January, 1871, the number of commissioned officers and men will not exceed the number contemplated by that law.

The War Department building is an old structure, not fire-proof, and entirely inadequate in dimensions to our present wants. Many thousands of dollars are now paid annually for rent of private buildings to accommodate the various Bureaus of the Department. I recommend an appropriation for a new War Department building, suited to the present, and growing wants of the nation.

The report of the Secretary of War shows a very satisfactory reduction in the expenses of the Army for the last fiscal year. For details you are referred to his accompanying report.

The expenses of the Navy for the whole of the last year—*i. e.*, from December 1, 1869, the date of the last report—are less than nineteen million dollars, or about one million dollars less than they were the previous year. The expenses since the commencement of this fiscal year—*i. e.*, since July 1—show for the five months a decrease of over two million four hundred thousand dollars from those of the corresponding months of last year. The estimates for the current year were twenty-eight million two hundred and five thousand six hundred and seventy-one dollars and thirty-seven cents. Those for next year are twenty million six hundred and eighty-three thousand three hundred and seventeen dollars, with nine hundred and fifty-five thousand one hundred dollars additional for necessary permanent improvements. These estimates are made closely for the mere maintenance of the naval establishment as it now is, without much in the nature of permanent improvement. The appropriations made for the last and current years were evidently intended by Congress, and are sufficient only, to keep the Navy on its present footing by the repairing and refitting of our old ships.

This policy must, of course, gradually but surely destroy the Navy, and it is in itself far from economical, as each year that it is pursued the necessity for mere repairs in ships and navy yards becomes more imperative and more costly; and our current expenses are annually increased for the mere repair of ships, many of which must soon become unsafe and useless. I hope during the present session of Congress to be able to submit to it a plan by which naval vessels can be built and repairs made with great saving upon the present cost.

It can hardly be wise statesmanship in a government which represents a country with over five thousand miles of coast line on both oceans, exclusive of Alaska, and containing forty millions of progressive people, with relations of every nature with almost every foreign country, to rest with such inadequate means of enforcing any foreign policy, either of protection or redress. Separated by the ocean from the nations of the Eastern Continent our Navy is our only means of direct protection to our citizens abroad, or for the enforcement of any foreign policy.

The accompanying report of the Postmaster General shows a most satisfactory working of that Department. With the adoption of the recommendations contained therein, particularly those relating to a reform in the franking privilege, and the adoption of the "correspondence cards," a self-sustaining postal system may speedily be looked for, and, at no distant day, a further reduction of the rate of postage be attained.

I recommend authorization by Congress to the Postmaster General and Attorney General to issue all commissions to officials appointed through their respective Departments. At present these commissions, where appointments are presidential, are issued by the State Department. The law, in all the Departments of Government except those of

the Post Office and of Justice, authorizes each to issue its own commissions.

Always favoring practical reforms, I respectfully call your attention to one abuse of long standing, which I would like to see remedied by this Congress. It is a reform in the civil service of the country. I would have it go beyond the mere fixing of the tenure of office of clerks and employes, who do not require "the advice and consent of the Senate" to make their appointments complete. I would have it govern, not the tenure, but the manner of making all appointments. There is no duty which so much embarrasses the Executive and Heads of Departments as that of appointments; nor is there any such arduous and thankless labor imposed on Senators and Representatives as that of finding places for constituents. The present system does not secure the best men, and often not even fit men, for public place. The elevation and purification of the civil service of the Government will be hailed with approval by the whole people of the United States.

Reform in the management of Indian affairs has received the special attention of the administration from its inauguration to the present day. The experiment of making it a missionary work was tried with a few agencies given to the denomination of Friends, and has been found to work most advantageously. All agencies and superintendencies not so disposed of were given to officers of the Army. The act of Congress reducing the Army renders Army officers ineligible for civil positions. Indian agencies being civil offices, I determined to give all the agencies to such religious denominations as had heretofore established missionaries among the Indians, and perhaps to some other denominations who would undertake the work on the same terms—*i. e.*, as a missionary work. The societies selected are allowed to name their own agents, subject to the approval of the Executive, and are expected to watch over them and aid them as missionaries, to christianize and civilize the Indian, and to train him in the arts of peace. The Government watches over the official acts of these agents, and requires of them as strict an accountability as if they were appointed in any other manner. I entertain the confident hope that the policy now pursued will, in a few years, bring all the Indians upon reservations, where they will live in houses, have school-houses and churches, and will be pursuing peaceful and self-sustaining avocations, and where they may be visited by the law-abiding white man with the same impunity that he now visits the civilized white settlements. I call your special attention to the report of the Commissioner of Indian Affairs for full information on this subject.

During the last fiscal year eight million ninety five thousand four hundred and thirteen acres of public land were disposed of. Of this quantity three million six hundred and ninety-eight thousand nine hundred and ten and five one-hundredths acres were taken under the homestead law, and two million one hundred and fifty-nine thousand

five hundred and fifteen and eighty-one one-hundredths acres sold for cash. The remainder was located with military warrants, college or Indian scrip, or applied in satisfaction of grants to railroads, or for other public uses. The entries under the homestead law during the last year covered nine hundred and sixty-one thousand five hundred and forty-five acres more than those during the preceding year. Surveys have been vigorously prosecuted to the full extent of the means applicable to the purpose. The quantity of land in market will amply supply the present demand. The claim of the settler, under the homestead or the preëmption laws, is not, however, limited to lands subject to sale at private entry. Any unappropriated surveyed public land may, to a limited amount, be acquired under the former laws if the party entitled to enter under them will comply with the requirements they prescribe in regard to the residence and cultivation. The actual settler's preference right of purchase is even broader, and extends to lands which were unsurveyed at the time of his settlement. His right was formerly confined within much narrower limits, and at one period of our history was conferred only by special statutes. They were enacted from time to time to legalize what was then regarded as an unauthorized intrusion upon the national domain. The opinion that the public lands should be regarded chiefly as a source of revenue is no longer maintained. The rapid settlement and successful cultivation of them are now justly considered of more importance to our well-being than is the fund which the sale of them would produce. The remarkable growth and prosperity of our new States and Territories attest the wisdom of the legislation which invites the tiller of the soil to secure a permanent home on terms within the reach of all. The pioneer who incurs the dangers and privations of a frontier life, and thus aids in laying the foundation of new commonwealths, renders a signal service to his country, and is entitled to its special favor and protection. These laws secure that object and largely promote the general welfare. They should, therefore, be cherished as a permanent feature of our land system.

Good faith requires us to give full effect to existing grants. The time-honored and beneficent policy of setting apart certain sections of public land for educational purposes in the new States should be continued. When ample provision shall have been made for these objects, I submit as a question worthy of serious consideration, whether the residue of our national domain should not be wholly disposed of under the provisions of the homestead and preëmption laws.

In addition to the swamp and overflowed lands granted to the States in which they are situated, the lands taken under the agricultural college acts, and for internal improvement purposes, under the act of September 1841, and the acts supplemental thereto, there had been conveyed up to the close of the last fiscal year, by patent or other equivalent title to States and corporations twenty-seven million eight hun-

dred and thirty-six thousand two hundred and fifty-seven and sixty-three one-hundredths acres for railways, canals, and wagon roads. It is estimated that an additional quantity of one hundred and seventy-four million seven hundred and thirty-five thousand five hundred and twenty-three acres is still due under grants for like uses. The policy of thus aiding the States in building works of internal improvement was inaugurated more than forty years since in the grants to Indiana and Illinois, to aid those States in opening canals to connect the waters of the Wabash with those of Lake Erie, and the waters of the Illinois with those of Lake Michigan. It was followed, with some modifications, in the grant to Illinois of alternate sections of public land within certain limits of the Illinois Central Railway. Fourteen States and sundry corporations have received similar subsidies in connection with railways completed or in process of construction. As the reserved sections are rated at the double minimum, the sale of them at the enhanced price has thus, in many instances, indemnified the Treasury for the granted lands. The construction of some of these thoroughfares has undoubtedly given a vigorous impulse to the development of our resources and the settlement of the more distant portions of the country. It may, however, be well insisted that much of our legislation in this regard has been characterized by indiscriminate and profuse liberality. The United States should not loan their credit in aid of any enterprise undertaken by States or corporations, nor grant lands in any instance, unless the projected work is of acknowledged national importance. I am strongly inclined to the opinion that it is inexpedient and unnecessary to bestow subsidies of either description; but should Congress determine otherwise, I earnestly recommend that the rights of settlers and of the public be more effectually secured and protected by appropriate legislation.

During the year ending September 30, 1870, there were filed in the Patent Office nineteen thousand four hundred and eleven applications for patents, three thousand three hundred and seventy-four caveats, and one hundred and sixty applications for the extension of patents. Thirteen thousand six hundred and twenty-two patents, including reissues and designs, were issued; one thousand and ten extended; and one thousand and eighty-nine allowed, but not issued, by reason of the non-payment of the final fees. The receipts of the office during the fiscal year were one hundred and thirty-six thousand three hundred and four dollars and twenty-nine cents in excess of its expenditures.

The work of the Census Bureau has been energetically prosecuted. The preliminary report, containing much information of special value and interest, will be ready for delivery during the present session. The remaining volumes will be completed with all the dispatch consistent with perfect accuracy in arranging and classifying the returns. We shall thus, at no distant day, be furnished with an authentic record of our condition and resources. It will, I doubt not, attest the growing prosperity of the country although during the decade which has just

closed, it was so severely tried by the great war waged to maintain its integrity, and to secure and perpetuate our free institutions.

During the last fiscal year the sum paid to pensioners, including the cost of disbursement, was twenty-seven million seven hundred and eighty thousand eight hundred and eleven dollars and eleven cents, and one thousand seven hundred and fifty-eight bounty land warrants were issued. At its close one hundred and ninety-eight thousand six hundred and eighty-six names were on the pension rolls.

The labors of the Pension Office have been directed to the severe scrutiny of the evidence submitted in favor of new claims, and to the discovery of fictitious claims which have been heretofore allowed. The appropriation for the employment of special agents for the investigation of frauds has been judiciously used, and the results obtained have been of unquestionable benefit to the service.

The subjects of education and agriculture are of great interest to the success of our republican institutions, happiness, and grandeur as a nation. In the interest of one a Bureau has been established in the Interior Department—the Bureau of Education; and in the interest of the other, a separate Department, that of Agriculture. I believe great general good is to flow from the operations of both these Bureaus if properly fostered. I cannot commend to your careful consideration too highly the reports of the Commissioners of Education and of Agriculture, nor urge too strongly such liberal legislation as to secure their efficiency.

In conclusion, I would sum up the policy of the administration to be a thorough enforcement of every law; a faithful collection of every tax provided for; economy in the disbursement of the same; a prompt payment of every debt of the nation; a reduction of taxes as rapidly as the requirements of the country will admit; reductions of taxation and tariff, to be so arranged as to afford the greatest relief to the greatest number; honest and fair dealings with all other peoples, to the end that war, with all its blighting consequences, may be avoided, but without surrendering any right or obligation due to us; a reform in the treatment of Indians, and in the whole civil service of the country; and, finally, in securing a pure, untrammelled ballot, where every man entitled to cast a vote may do so, just once, at each election, without fear of molestation or proscription on account of his political faith, nativity, or color.

U. S. GRANT.

EXECUTIVE MANSION, *December 5, 1870.*

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
December 5, 1870.

SIR: The financial condition of the country has improved during the past year. The average rate of gold for the year 1869, as shown by weekly sales, was 32.9 per centum premium, and for the first eleven months of the year 1870, 15.2 per centum premium, indicating an improvement in the value of the paper currency of about 17 per centum.

From the 1st day of July, 1869, to the 30th of June, 1870, inclusive, the public debt, as shown by the warrant account, was reduced in the sum of \$101,601,916 88. From the 1st day of December, 1869, to the 30th day of November, 1870, inclusive, the reduction was \$119,251,240 58, as shown by the monthly statements of the public debt, and the total reduction, from the 1st of March, 1869, to the 1st of December, 1870, was \$191,154,765 36. The consequent reduction in the interest account is at the rate of more than ten millions of dollars per annum.

The receipts for the fiscal year ending June 30, 1870, were as follows:

From customs	\$194, 538, 374 44
From internal revenue.....	185, 128, 859 37
From sales of public lands	3, 350, 481 76
From miscellaneous sources.....	28, 237, 762 06
	411, 255, 477 63

The expenditures for the same period were:

For civil and miscellaneous purposes	\$69, 234, 017 16
For War Department.....	57, 655, 675 40
For Navy Department.....	21, 780, 229 87
For Indians and pensions	31, 748, 140 32
For interest on the public debt	129, 235, 498 00
	309, 653, 560 75

This statement exhibits a surplus applicable to the payment of the public debt, including the amount pledged to the sinking fund by the act of February 25, 1862, of \$101,601,916 88.

The receipts for the first quarter of the present fiscal year were:

From customs	\$57, 729, 473 57
From internal revenue.....	49, 147, 137 92
From sales of public lands	842, 437 67
From miscellaneous sources.....	7, 382, 181 59
	<hr/>
	115, 101, 230 75
	<hr/>

The expenditures for the same period, excluding payments on account of the sinking fund, were:

For civil and miscellaneous purposes	\$18, 207, 242 49
For War Department	10, 218, 538 36
For Navy Department.....	4, 815, 237 58
For Indians and pensions.....	13, 825, 451 89
For interest on the public debt.....	39, 496, 450 51
	<hr/>
	86, 562, 920 83
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The estimated receipts for the remaining three quarters of the present year are as follows:

From customs	\$128, 000, 000 00
From internal revenue.....	98, 000, 000 00
From sales of public lands	2, 000, 000 00
From miscellaneous sources.....	16, 000, 000 00
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	244, 000, 000 00
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The estimated expenditures for the same period are:

For civil and miscellaneous purposes.....	\$54, 000, 000 00
For War Department	30, 000, 000 00
For Navy Department.....	15, 000, 000 00
For Indians and pensions.....	24, 500, 000 00
For interest on the public debt.....	80, 000, 000 00
	<hr/>
	203, 500, 000 00
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Showing a balance applicable to the payment of the public debt, including, however, the amount payable on account of the sinking fund, of \$69,038,309 92.

In estimating the expenditures for the next fiscal year, I have included the sum of \$24,500,000, properly chargeable to the current revenue as an appropriation under the acts of February 25, 1862, and July 14, 1870, relating to the sinking fund. Although the language employed in those acts is not the language commonly used in appropriation bills, it still has the force and effect of a permanent appropriation. I therefore so treat it.

There will be required also the sum of \$4,866,933, being the amount answering to the interest on the capital of the sinking fund as represented upon the books of the Department. This sum I have included in the estimate of expenditures for the fiscal year ending June 30, 1872.

Upon this basis I submit the following estimate of receipts and expenditures for the next fiscal year:

Estimated receipts and expenditures for the year ending June 30, 1872.

RECEIPTS.

From customs	\$175, 000, 000
From internal revenue.....	126, 418, 000
From sales of public lands	3, 000, 000
From miscellaneous sources	16, 000, 000
	<hr/>
	320, 418, 000
	<hr/>

EXPENDITURES.

Legislative establishment.....	\$3, 263, 966 34
Executive establishment.....	17, 238, 165 50
Judicial establishment.....	2, 348, 750 00
Military establishment	28, 488, 194 00
Naval establishment	20, 045, 417 77
Indian affairs	5, 021, 569 03
Pensions	30, 000, 000 00
Public works	22, 338, 278 37
Postal service	4, 694, 383 00
Miscellaneous.....	14, 305, 428 60
Permanent appropriations	132, 528, 234 00
Sinking fund	24, 500, 000 00
Interest upon the capital of the sinking fund	4, 866, 933 00
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	309, 639, 319 61
	<hr/>

According to this estimate there will be a surplus applicable to the payment of the principal of the public debt, in addition to the payments made on that account through the sinking fund, of \$10,778,680 39.

An analysis of the expenditures develops facts tending to sustain the opinion that the balance will be considerably larger than appears from the foregoing estimates.

The sum of \$22,338,278 37 is the estimate for public works. The appropriations for these objects for the present year are less than \$12,000,000, and it is reasonable to presume that the appropriations for the next year will not much exceed that amount.

It is believed, also, that the estimates made by the several Departments, for the different branches of the public service, are for the maximum amounts which will be required under any circumstances. If

such is the case, there will remain on the 30th of June, 1872, unexpended balances to be covered into the treasury.

It may, therefore, be reasonably anticipated that the total reduction of the public debt during the next fiscal year, including payments on account of the sinking fund, will be about fifty millions of dollars.

It is a noticeable fact that the estimated expenditures for the next fiscal year, including payments on account of the sinking fund, and for the interest on the public debt, are so nearly equal to the receipts as to justify and demand the greatest caution in dealing with the revenues and business of the country. It is apparent that a disaster, or even a serious check to business, would reduce the revenues below our necessary expenditures.

It is apparent, also, that the prosperous condition of the country is largely due to the revenue system inaugurated during the war, by which manufactures and the mechanic arts have been extended and established. This policy cannot now be rashly abandoned, or suddenly and radically changed, without great injury to business and labor, and serious consequent losses of revenue.

The war in Europe has rendered it impracticable to refund the national debt, as authorized by the act approved July 14, 1870. A portion of the paper has been manufactured, and the preparation of the plates has been so far advanced that whenever a favorable opportunity arises the loan may be offered and the bonds delivered without delay.

Inasmuch as the war in Europe, and the consequent demand for money, made it doubtful whether the four and the four and a half per cent. bonds will be taken, it seems to me wise to authorize the issue of three hundred millions additional of bonds bearing interest at the rate of five per cent. The interest can be paid quarterly without inconvenience, and I therefore respectfully recommend that the loan act be so modified that the payment of interest may be made quarterly instead of semi-annually. Should these recommendations be approved by Congress, it is of great importance that an act authorizing the changes be passed without delay.

Since the 1st of July the currency balance in the treasury has been unusually, and, for immediate purposes, unnecessarily large.

The act of July 12, 1870, authorizing an increase of national bank-notes, imposed upon the Secretary of the Treasury the duty of providing for the redemption of equal amounts of three per cent. certificates. The certain though prospective decrease in the revenues, both of coin and currency, made it my duty to reserve a sum sufficient to enable the Department to comply with the law without resorting to extraordinary means. Happily, the financial condition of the country has not been unfavorably affected by the accumulations in the treasury.

During the year ending September 30, 1870, the national banks paid in interest the sum of \$6,486,172 66. It is estimated that of this sum two millions were paid to private parties. I cannot doubt that the prac-

tice of paying interest, except upon balances due from one bank to another, is a means by which large amounts of capital are diverted from the extreme portions of the country to the commercial and financial centers, to the injury of business generally. The province of a bank is to lend money, and its proper duty is, by loans and discounts, to facilitate and develop business in the neighborhood of its location. As a matter of fact, under the present system, banks are agencies by which capital is gathered in and sent away to distant cities, there to be loaned on call and used for speculative purposes.

Complaints are made from all parts of the country that the bills of the national banks are worn and defaced to such an extent as to be no longer fit for circulation. As many new banks are soon to be organized under the law of the last session of Congress, I respectfully recommend that an appropriation be made and authority given for the issue of new bills, upon such paper and in such form as may be designated by the Secretary of the Treasury.

The Comptroller of the Currency, in his report for 1869, recommended the establishment of an agency in the city of New York, under the control of the national banks, for the redemption of their issues. The substance of this recommendation seems to me not only proper but necessary. The expense should be borne by the banks.

Coupled with these recommendations, I take this occasion to say that the banking system of the country appears to be well managed, and to answer reasonably the purposes for which it was established. It is no doubt true that treasury notes representing an equal amount of the public debt without interest are the most economical circulation for the Government. But it should be considered that the banking institutions of the country are agencies by which business is established and fostered. Upon the whole, the system of banking should be extended only for the purpose of meeting the demands of business; but when the demands are urgent the concession should be made, upon the ground that the prosperity of business is more important than the mere saving of interest arising from the circulation of treasury notes.

Excluding re-deposits, the amount of gold and silver deposited at the Mint and its several branches, during the last fiscal year, was \$30,408,788 10; the coinage for the year was \$24,636,011; and the value of gold and silver bars stamped was \$8,748,852 91.

I respectfully ask the attention of Congress to the bill prepared in this Department and submitted at the last session, and to the accompanying report, relative to the mints and the coinage system of the country. The bill was prepared with care, and it has since been submitted to the criticism of a large number of practical and scientific men, whose views have been published by authority of Congress.

During the year the several branch mints and assay offices have been visited and examined by Mr. Knox and Dr. Lindermann. The

assay office at Boise City, Idaho, is nearly completed, and it will require a small appropriation for the commencement of business.

Provision should be made for the redemption of the bronze and other tokens issued by the Government.

The report of the Commissioner of Mining Statistics for the year 1869 has been printed since the close of the session in July last, and that for the year 1870 will be made during the winter. The continuance of the work appears to be a matter of national importance.

The proportion of American vessels engaged in foreign trade has not increased relatively during the year, although there has been an actual increase in the entries of American vessels at the ports of the United States, amounting, in the aggregate, to about 130,000 tons. The total tonnage engaged in the foreign trade entered at all of the ports of the United States has increased from 5,583,000 tons in 1869, to 5,957,000 tons in 1870, but the proportion of American tonnage remains as in 1869 at 36 per cent.

Without undertaking to specify the means by which it is to be accomplished, I cannot overstate the importance of such legislation as will secure the revival of American commerce.

The report of the Light-House Board sets forth in detail the difficulties which have arisen in that branch of the public service from the operation of the fifth section of the act of July 12, 1870, making appropriations for the legislative and executive expenses of the Government for the year ending June 30, 1871. The legislation asked for by the board seems to me to be necessary.

The report of the Superintendent of the Coast Survey gives a brief but satisfactory statement of the progress made during the last surveying year.

On the 1st day of October last, regulations were issued concerning the transportation of merchandise from the ports of importation to certain other ports in the United States, without appraisement or liquidation of duties at the port of arrival, agreeably to the provisions of an act entitled "An act to reduce internal taxes, and for other purposes," approved July 14, 1870. A copy of the regulations will be transmitted to Congress. In the nature of the case, the regulations are stringent; but when the railway companies shall have given the bonds required, and the importing merchants of the interior cities shall have made arrangements for the importation of goods upon the basis of the act, I am satisfied that no serious difficulties will arise, either to the railways, the merchants, or the Government. Without doubt, the act increases the opportunity for the introduction of foreign goods into the country in violation of the revenue laws; but the examination which I have given to the subject, in the preparation of the regulations, leads me to think that the business can be safely conducted.

The appropriation for the expenses of collecting the customs revenue, under the act approved May 3, 1866, is at the rate of \$4,200,000 annually,

in addition to such sums as may be received from fines, penalties, and forfeitures, and from storage, cartage, drayage, and labor. Experience has shown that this amount is insufficient, and a deficiency appropriation will be needed at each session of Congress until the permanent appropriation is increased. I have instituted a careful supervision in the Treasury Department over this branch of expenditures, and agents are employed in investigating the expenses of the custom-houses of the country, for the purpose of ascertaining whether the modes of business can be simplified and made more economical, and also whether a reduction of the number of employés or of salaries is practicable. By this means some saving will be effected, but it will even then be impossible to reduce the expenses within the appropriation. From 1858 to 1866 the permanent appropriation was at the rate of \$3,600,000 per annum, in addition to the receipts before enumerated as applicable to this branch of the service. From 1856 to 1860, inclusive, the total receipts from customs were about \$272,000,000, and the expenses of collection were \$15,879,000, or at the rate of more than five and one half per cent. The receipts for the year ending June 30, 1870, were \$194,538,374 44, and the expenses \$5,912,113 63, or not exceeding three and one half per cent. From 1858 to 1860 the revenue collected did not exceed an average of \$50,000,000 a year; and the temptation to smuggling and fraud was much less under a low system of duties than it is at the present time. At the principal importing cities of the country it is necessary to employ a large force for the protection of the wharves and water lines within or near to such cities. It is also necessary to guard against smuggling, by the presence often of several officers upon and around the steamers and other vessels importing large quantities of goods, while engaged in discharging their cargoes. It is also apparent that the extensive line of coast on the Atlantic and Pacific Oceans, and the Gulf of Mexico, everywhere furnishing opportunities for the introduction of goods in violation of the revenue laws, requires the presence of a large number of skillful and trustworthy persons. The acquisition of Alaska, the establishment of interior ports of entry, the accommodation of business by railways and steamers on the northern frontier, add materially to the expenses of collecting and guarding the revenue. I therefore respectfully recommend the increase of the permanent appropriation for collecting the revenue from customs to the sum of \$2,600,000 for each half-year from and after the 30th day of June, 1870.

At several of the important ports there are two appraisers, whose powers are equal. I recommend such an alteration of the law as will provide for one principal appraiser at each port, who shall be responsible for the business of the office.

The Treasury Department has the care of one hundred and ten public buildings that are completed, and of seventeen more that are in the course of erection, all of which had cost, on the 30th of June last, \$35,900,998 93.

The appropriation for the repair and preservation of these buildings for the current year is \$100,000, a sum manifestly inadequate, being less than one-third of one per cent. Unless larger annual appropriations are made, the buildings will rapidly deteriorate in value, and finally will need much larger repairs, or the erection of new ones in their stead.

With the increase of population in the country, appropriations must be annually made for the erection of post offices, custom-houses, and other public buildings. The present mode of inaugurating these works seems to me unwise. Appropriations are often made without sufficient information upon the subject. It is true that, when a proposition is introduced into Congress for the erection of a public building, the subject is referred to the Treasury Department, and by the Secretary to the Supervising Architect of the Treasury; but it is also true that the Supervising Architect has only general information upon the subject, and in answer to a sudden call, and without time for the preparation of plans and estimates, he cannot give a safe opinion as to the necessity or the cost of the work. I respectfully recommend that hereafter, when applications are made for the construction of public buildings, the first step on the part of Congress be to instruct the Treasury Department to make careful inquiry as to the necessity of the work, and also to prepare estimates to be laid before Congress. This being done, and the work authorized, it would seem to be wise to make a single appropriation, sufficient to meet the entire cost, and then hold the Department and the Supervising Architect responsible for the speedy completion of the building, substantially upon plans duly authorized and within the estimates. I am satisfied that much waste of public money occurs, and much complaint on the part of citizens arises, when small appropriations are made from year to year. The inevitable consequence of the policy is that the public works are injured in the process of construction and the expenses are largely increased.

The Supervising Architect of the Treasury states in his report that the expenditure authorized by law for the construction of the post office in the city of New York will be inadequate, unless the character of the work is changed from the original design. It seems to be due to the city of New York, for general and apparent reasons, and in consideration of the fact that a most eligible site has been secured, by the coöperation and in some degree at the expense of the city, that the building should not only be a fire-proof structure, but also of such design and workmanship as to rank among the best public buildings of the country.

At the present time there are twenty-four steamers and ten sailing vessels attached to the revenue marine service, the number having been reduced during the year by the sale of two vessels of the latter class. At the third session of the fortieth Congress an appropriation of \$300,000 was made for the construction of four steam revenue-cutters.

After proposals had been issued and bids received, which were rejected under the impression on my part that the public interests did not require vessels of as large size as those for which proposals had been issued, I appointed a commission, by letter dated December 16, 1869, consisting of Captain C. T. Patterson, of the Coast Survey, Captain Douglass Ottinger and Captain J. H. Merryman, of the Revenue Marine, and instructed them to consider and report upon the character of the vessels best adapted to the service. Final action in reference to the construction of the vessels authorized was delayed for the report of the commission. That report was made on the 1st day of May, 1870. (Executive Document No. 93, Senate, second session of the present Congress.) Upon the completion of the work of the commission, proposals were again issued for the construction of the four vessels authorized by law. Satisfactory bids were received, and on the 22d of July and the 22d of August last contracts were made. The construction given by the Comptroller to the fifth section of "The act making appropriations for the legislative, executive, and judicial expenditures of the Government for the year ending the 30th of June, 1871," rendered the appropriation unavailable, and it therefore became necessary to notify the parties to the contracts that they must be considered as null and void. One of the parties has asked to have his contract formally annulled, which has been done.

I recommend a renewal of the appropriation of \$300,000 for the construction of steam revenue-cutters, without limitation as to the number or specification as to the size of the vessels to be built.

The report of the commission shows that thirteen of the vessels now in use are either old or not adapted to the service. The opinion entertained by me that the vessels in use were larger than the nature of the service required, is confirmed by the report of the commission. They recommend that the number be reduced to thirty-two, and the aggregate tonnage reduced from 9,208 tons to 7,175 tons. They also state that it will be practicable, upon the proposed basis, to reduce the total number of officers, pilots, petty officers, and men, from 1,266, the number then in service, to 1,061; and the actual expense of maintaining the system, not including appropriations for the construction of new vessels, from \$1,446,490, to \$943,639, making a saving of more than half a million of dollars a year. The report of the commission is the result of a careful and comprehensive examination of the subject by competent men, and, while it is the present purpose of the Department to act upon it, I am of opinion that it should receive legislative sanction.

On the 9th of July, 1869, I convened a board of examiners, who were charged, among other things, with the examination of the officers of the Revenue Marine. The board is composed of Captains Faunce and Slicer, of the Revenue Marine, and Captain Patterson, of the Coast Survey. The examination has not yet been completed, as only a small number of officers could be detailed for examination at the same time.

One hundred and ten lieutenants have been examined. Ten first lieutenants, nine second lieutenants, and six third lieutenants were reported for removal, and have been removed. The vacancies thus created in the first and second grades were filled by promotions, and the vacancies in the lowest grade will be filled by qualified persons selected at large. The examination of the remaining officers will be continued.

The condition of the marine hospitals has been improved during the past year. This result is largely due to Dr. J. S. Billings, of the Surgeon General's Office, who has visited nearly all of them, and through whose advice many important changes have been made.

No appointment has yet been made of a superintendent under the act of the last session. The authority therein granted to appoint a superintendent is desirable, although the salary does not appear to be sufficient. I however recommend such an alteration of the law as will permit the President to detail a surgeon of the Army or Navy to perform the duty of superintendent, without any addition to his pay other than his necessary traveling expenses. With such authority, the Department could have the benefit of the services of Dr. Billings, or some other competent surgeon, with less expense than would be involved in a regular appointment, even with the present salary.

Five of the principal ports of the country, New York, New Orleans, San Francisco, Baltimore, and Philadelphia, are without hospital accommodations, and provision is made for the patients by contract with hospitals or private parties. The War Department is in possession of a very desirable hospital at New Orleans, known as the Sedgwick Hospital, and I earnestly recommend the passage of an act by which the building may be transferred to the Treasury Department for a marine hospital, and an appropriation made for the purchase of the land on which it stands. At the last session the attention of Congress was called to the subject of transferring David's Island, at New York, from the War Department to the Treasury Department, for the establishment of a marine hospital. This recommendation is now respectfully renewed.

In compliance with the act of July 1, 1870, in reference to the seal fisheries, proposals were issued and bids received for the exclusive right to the fisheries for the term of twenty years. The phraseology employed in the act warranted the interpretation that the contract should be awarded to the Alaska Commercial Company if their proposition was as favorable to the Government as that of any other party, and upon that basis the contract was awarded to that company. A copy of the contract and of the papers connected therewith will be transmitted to Congress.

About eighty-six thousand seal-skins have arrived at San Francisco, as the product of the year 1869, on which the owners have paid one dollar each, as required by the sixth section of said act.

I consider it my duty to call the attention of Congress to the

inadequacy and inequality of the salaries of the officers in the Treasury Department, as fixed by law. The offices recently established are supported by proper salaries; but the salaries attached to many of those created at the organization of the Government are insufficient. As a temporary means of alleviating the admitted evil, Congress has, from time to time, and for many years, annually made appropriations, to be used at the discretion of the Secretary, for additions to salaries of officers in the Department. In the nature of the case, this is a disagreeable duty for the Secretary to perform, is usually unsatisfactory to the parties interested, and the result has not the sanction and support incident to a system of specific salaries established by law. At the present time the sum of \$21,300 is distributed by the Secretary in his discretion. After a careful examination of the subject, I find that an additional appropriation, not exceeding \$16,000 a year, will be sufficient to provide adequate salaries for the officers of the Treasury Department.

The act of 1853 in regard to the examination of clerks has been observed by this Department, and with beneficial results. It is worthy of consideration, however, whether it would not be wise to provide by law for an examining board, the majority of whose members should not be officers of the Department to which the clerk is to be assigned, in case of appointment and approval. This system should also be extended to the principal custom-houses and revenue offices of the country. By such an arrangement, adequate security would be taken for the character and qualifications of clerks, as far as they can be ascertained or tested without actual service in the discharge of official duty. It is well understood, however, that no examination can furnish security that the person examined will prove satisfactory upon trial, and there should always be a speedy and easy method of removing such persons from office. I do not, therefore, accept the idea that the tenure of office for the clerks and employés in this Department should be changed. Indeed, I believe that the present tenure of office furnishes the best security which the people of the country can have that the business of the Government will be efficiently and properly performed. The work of the Treasury Department does not differ essentially from the business done in banking houses and merchant's counting rooms; and there is no reason why the tenure of office should be permanent in one case that does not apply with equal force in the others. It does happen practically that there are in the Treasury Department, and in every bureau and office of it, men who have been connected with the service for several years, and who possess all the knowledge derived from experience and tradition that is essential to the performance of their duties.

Excluding the employés of the Bureau of Engraving and Printing, and the messengers and laborers, there were 2,143 officers and clerks connected with the Treasury Department at Washington on the 1st day of November, 1870; and of these, 1,489 were in office on the 4th day of

March, 1869, leaving 654 as the total number of appointments made since that time.

Previous to the war the business of the Department was so small that on the 1st of March, 1861, only 433 persons were employed, and of these fifty-seven are now in the service. One has been in office over fifty years, two others over forty years, one over thirty-five years, seven over thirty years, one over twenty-five years, ten over twenty years, fourteen over fifteen years, and twelve over ten years.

These statements show that the changes in the Department are not so numerous as to deprive the service of the knowledge derived from experience. On the other hand, the introduction of new men secures additional energy and efficiency. Two errors prevail in the community in connection with the subject. One is that under a republican government every man has a right to an office. This is in no sense true. The only right is that of the people to elect and to have appointed to office persons best qualified to perform the work. The other error is that offices in the Treasury Department are prizes which the young men of the country may wisely seek. Speaking generally, it is a misfortune to a young man, who possesses even ordinary capacity for business or labor, to remain permanently in the public offices of this city. It is, however, true that many of the most valuable clerks in the Treasury are young men who are pursuing professional studies, or who, having completed the course, remain from one to four years in the Department with the purpose, by industry and economy, of securing a small amount of money with which to commence active life elsewhere. A system of life tenure would exclude all these men from the service, unless they choose to accept it as a permanent pursuit, which in the main would be an injury to them and to the country.

I am also fully convinced that any more permanent tenure of office would materially impair the efficiency of the revenue system. There are many thousand men employed in the customs and internal revenue service, and, however careful the preliminary examination might be, the evils which now impair its efficiency would undoubtedly exist. No system of examination could exclude all those who are dishonest, or who, under the pressure of necessity or the offer of sudden wealth, might yield to temptation. It often happens, and it would happen under any system, that men are found who are honest, temperate, and apparently capable, and yet lack the energy or the courage essential to the enforcement of the revenue laws—a duty which often requires sagacity and a kind of intelligence too subtle for discovery through formal questions. Men who are thus unqualified should be removed from office, and this without an investigation, which, indeed, might furnish nothing tangible in justification of the act. So, too, in custom-houses or collection districts, a branch of the service will fail to meet just expectations, although no dishonesty may be traceable to any person connected with the office. In such cases the interests of the Government

demand a change, and a change must be made without a hearing of the parties concerned.

I may be warranted in saying in this connection that the evil of office-seeking, although great, is probably exaggerated in the public mind. It is true that there are more applications for appointment to office in the Department than can be met, but the number of applicants who are well qualified, and who could pass any proper examination, is not usually very large. Outside of the Department, and in the several States and districts of the country, the number of applicants for local offices does not often exceed three or four to each office, and occasionally there are not more than two who are really so presented as to be considered in connection with the appointment.

In justification of the present tenure, and as a proper recognition of the services of the officers and clerks employed in this Department, I express the opinion that the business, upon the whole, is not only done in a satisfactory manner, but that it will compare in accuracy and efficiency with the business of the country generally, which is carried on by corporations or individuals.

In my annual report of December last, I advised the continuance of the existing system of taxation as an essential condition to the success of the proposed loan. The circumstance that war was declared between France and Prussia simultaneously with the passage of the loan bill put it out of the power of the Department to make the negotiation as had been expected. The large revenues, however, of the Government continuing without material abatement until the present time, improved the credit of the country, enabled the Treasury Department, by weekly purchases, to reduce the amount of surplus bonds offered for sale, and contributed to depreciate the market value of gold.

I also expressed the opinion that the settled policy of the country should contemplate a revenue sufficient to meet the ordinary expenses of the Government, pay the interest on the public debt, and from twenty-five to fifty millions of dollars of the principal annually. The reduction of the public debt since the 30th day of June last has been so great as to render it certain that the total reduction for the present fiscal year will exceed sixty millions of dollars. The natural increase of the business of the country during the next eighteen months is likely to be such as to show a surplus for the fiscal year ending June 30, 1872, of about forty millions of dollars.

The principal of the public debt on the last day of November, 1870, not deducting moneys on hand, was \$2,418,673,044 43. Of this amount \$395,269,237 08 was represented by United States notes and fractional currency, not bearing interest. The banks of the country, acting within the authority of existing laws, will require about \$393,000,000 of bonds to be placed on deposit as security for their circulation. Should the present system of furnishing a paper circulation for the country, partly by the Treasury and partly by the national banks, be continued, or the

entire circulation be furnished by the Treasury, or by the banks, the credit of the United States will be the security for the redemption of the notes. From this view of the policy of the country it follows that about \$800,000,000 of the public debt will remain unpaid, existing either in the form of treasury notes in circulation without interest, or in bonds owned by the banks and held as security for the redemption of their notes, and that only about \$1,600,000,000 of the principal of the debt is subject to payment.

The financial prospect, although highly favorable, is not such as to warrant important changes in the revenue system at the present session of Congress; but should the result during the coming year meet my expectations, it will be possible at the December session of the forty-second Congress to make a very material reduction in the revenues without impairing the ability of the Government to make satisfactory payments of the public debt. The reduction already made has been advantageous to the country not only in the particulars indicated, but in other respects hardly less important. There is much evidence tending to show that no other event since the conclusion of the war has contributed so much to the diffusion of republican opinions in Europe. The spread of these opinions stimulates emigration from Europe, and at the same time prepares the way for the establishment of free institutions on that continent. Nor can there be any doubt that a policy accepting the debt as permanent would retard emigration from Europe, especially of the reading and reflecting classes.

Whatever arguments may be adduced, or whatever theories advanced, the fact must ever remain that a public debt is a public evil. It is especially burdensome to the laboring classes, and it is, therefore, in their interest to provide for the constant reduction of the existing national debt. This policy will not prevent such changes in the revenue system from time to time as will equalize the inevitable burdens of our present condition; and within a comparatively short period the taxes may be removed from many articles of prime necessity. It is the occasion of satisfaction that no other nation ever passed through a great war with so slight a shock to industry and business. Specific information, and general intelligence from various parts of the United States, show that all classes, and especially the laboring classes, are in the enjoyment of more than average prosperity, whether tested by the experience of this country, or by the present condition of other nations.

No reason can be found, however, in the favorable condition of public and private affairs, for neglecting any proper means for equalizing and diminishing the burden of taxation; but it does justify the statement that the nation can make provision for the public debt, in the manner recommended, without embarrassing its industry or retarding its progress.

GEO. S. BOUTWELL,

Secretary of the Treasury.

Hon. JAMES G. BLAINE,

Speaker of the House of Representatives.

TABLES ACCOMPANYING THE REPORT.

TABLE A.—*Statement of the net receipts (by warrants) for the fiscal year ended June 30, 1870.*

CUSTOMS.		
Quarter ending September 30, 1869.....	\$52,598,921 86	
Quarter ending December 31, 1869.....	41,308,147 00	
Quarter ending March 31, 1870.....	48,196,911 16	
Quarter ending June 30, 1870.....	52,434,394 42	
		<u>\$194,538,374 44</u>
SALES OF PUBLIC LANDS.		
Quarter ending September 30, 1869.....	893,864 08	
Quarter ending December 31, 1869.....	620,682 96	
Quarter ending March 31, 1870.....	673,888 17	
Quarter ending June 30, 1870.....	962,046 55	
		<u>3,350,481 76</u>
DIRECT TAX.		
Quarter ending September 30, 1869.....		
Quarter ending December 31, 1869.....		
Quarter ending March 31, 1870.....	229,102 88	
Quarter ending June 30, 1870.....		
		<u>229,102 88</u>
INTERNAL REVENUE.		
Quarter ending September 30, 1869.....	47,926,352 51	
Quarter ending December 31, 1869.....	37,264,738 55	
Quarter ending March 31, 1870.....	37,960,411 01	
Quarter ending June 30, 1870.....	61,728,254 42	
		<u>184,899,756 49</u>
PREMIUM ON SALES OF COIN.		
Quarter ending September 30, 1869.....	3,243,583 64	
Quarter ending December 31, 1869.....	8,261,376 67	
Quarter ending March 31, 1870.....	2,114,422 27	
Quarter ending June 30, 1870.....	1,674,754 79	
		<u>15,294,137 37</u>
TAX ON CIRCULATION, DEPOSITS, ETC., OF NATIONAL BANKS.		
Quarter ending September 30, 1869.....	2,893,946 56	
Quarter ending December 31, 1869.....	23,884 86	
Quarter ending March 31, 1870.....	2,874,121 27	
Quarter ending June 30, 1870.....	52,498 41	
		<u>5,844,451 10</u>
REPAYMENT OF INTEREST BY PACIFIC RAILWAY COMPANIES.		
Quarter ending September 30, 1869.....	127,343 12	
Quarter ending December 31, 1869.....	204,557 33	
Quarter ending March 31, 1870.....	169,481 33	
Quarter ending June 30, 1870.....	115,217 12	
		<u>616,598 90</u>
CUSTOMS FINES, PENALTIES, AND FEES.		
Quarter ending September 30, 1869.....	184,142 43	
Quarter ending December 31, 1869.....	170,173 59	
Quarter ending March 31, 1870.....	290,685 09	
Quarter ending June 30, 1870.....	248,269 97	
		<u>893,271 08</u>
FEES—CONSULAR, LETTERS PATENT, STEAMBOAT, AND LAND.		
Quarter ending September 30, 1869.....	487,138 23	
Quarter ending December 31, 1869.....	356,884 27	
Quarter ending March 31, 1870.....	424,576 79	
Quarter ending June 30, 1870.....	506,135 11	
		<u>1,864,734 40</u>

MISCELLANEOUS SOURCES.

Quarter ending September 30, 1869.....	\$476,329 59	
Quarter ending December 31, 1869.....	2,003,654 94	
Quarter ending March 31, 1870.....	748,095 20	
Quarter ending June 30, 1870.....	496,489 48	
		<u>\$3,724,569 21</u>
Total receipts exclusive of loans.....		411,255,477 63
Balance in Treasury June 30, 1869, (including \$2,070 73 received from "Unavailable.").....		155,680,340 85
		<u>\$566,935,818 48</u>

TABLE B.—Statement of the net expenditures (by warrants) for the fiscal year ended June 30, 1870.

CIVIL.

Congress.....	\$6,218,221 74	
Executive.....	9,297,053 72	
Judiciary.....	2,610,342 53	
Government of Territories.....	240,587 33	
Sub-treasuries.....	306,175 06	
Surveyor General's Office.....	114,962 89	
Inspectors of steam vessels.....	124,060 59	
Mints and assay offices.....	120,979 70	
Total civil list.....		<u>\$19,031,283 56</u>

FOREIGN INTERCOURSE.

Diplomatic salaries.....	473,745 99	
Salaries of United States consuls.....	471,744 35	
Office rent and other expenses of consulates.....	124,721 48	
Expenses under the neutrality act.....	30,488 95	
Rescuing American citizens from shipwreck.....	10,600 00	
Relief and protection of American seamen.....	54,171 34	
Expenses under habeas corpus act.....	2,942 95	
Hudson's Bay and Puget Sound Agricultural Company commission.....	8,526 20	
American and Mexican claims commission.....	20,981 03	
Capitalization of Scheldt dues.....	55,584 00	
Consular receipts.....	7,811 24	
Contingent and miscellaneous items.....	229,558 72	
Total foreign intercourse.....		<u>1,490,776 25</u>

MISCELLANEOUS.

Mint establishment.....	1,067,097 95	
Coast Survey.....	506,479 06	
Carrying free mail-matter.....	1,200,000 00	
Light-house establishment.....	2,588,300 59	
Refunding excess of deposits for unascertained duties.....	1,835,375 45	
Revenue-cutter service.....	1,138,393 31	
Custom-house buildings.....	569,392 67	
Furniture, fuel, &c., for custom-houses.....	91,711 53	
Repairs and preservation of custom-houses.....	176,606 39	
Collecting customs revenue.....	6,237,137 25	
Debentures and drawbacks under customs laws.....	823,419 54	
Refunding duties erroneously or illegally collected.....	226,699 87	
Marine hospital establishment.....	371,213 11	
Distributive shares of fines, penalties and forfeitures.....	237,796 06	
Defending suits for captured and abandoned property.....	40,823 62	
Unclaimed merchandise.....	8,847 13	
Examiners of drugs.....	3,084 24	
Assessing and collecting internal revenue.....	7,234,631 12	
Internal revenue allowance and drawbacks.....	507,640 72	

Punishing violation of internal revenue laws.....	\$88, 115 82
Refunding moneys erroneously covered.....	2, 932 49
Public buildings and grounds in Washington.....	243, 010 70
Payment of Texas creditors.....	10, 732 87
Mail steamship service.....	706, 250 00
Telegraphic communication between the Atlantic and Pacific.....	40, 000 02
Mail transportation overland to California.....	175, 829 21
Deficiencies in revenue of Post Office Department.....	2, 762, 500 00
Court-houses, post offices, &c.....	1, 293, 280 59
Refunding proceeds of captured and abandoned property.....	472, 128 02
Patent Office expenses.....	566, 675 31
Columbian Institute for Deaf and Dumb.....	45, 000 00
Government Hospital for the Insane.....	150, 834 68
Capitol extension and dome.....	125, 000 00
Jail in the District.....	26, 085 75
Support of sixty transient paupers.....	12, 000 00
Metropolitan Police.....	209, 821 77
Suppression of the slave trade.....	4, 287 50
Repayment for lands erroneously sold.....	19, 627 97
Refunding excess of deposits for surveying public lands.....	28, 120 99
Proceeds of swamp lands to States.....	9, 255 76
Expenses of eighth and ninth census.....	24, 464 62
Surveys of public lands.....	641, 497 37
Penitentiaries in the Territories.....	37, 656 00
Five per cent. fund to States.....	35, 537 29
Payment under relief acts.....	37, 170 35
Debentures and other charges under customs laws....	53, 429 99
Unenumerated items.....	30, 656 21
Total Miscellaneous.....	\$32, 715, 401 75

INTERIOR DEPARTMENT.

Indians.....	3, 407, 938 15
Pensions.....	28, 340, 202 17
Total Interior Department.....	31, 748, 140 32

MILITARY ESTABLISHMENT.

Pay Department.....	6, 571, 159 01
Commissary Department.....	4, 361, 725 40
Quartermaster's Department.....	20, 892, 572 50
Forts and fortifications.....	556, 788 09
Improvement of rivers and harbors.....	3, 668, 060 34
Military Academy.....	94, 367 04
Medical Department.....	756, 586 06
Freedmen's Bureau.....	1, 449, 694 71
Capture of Jefferson Davis.....	80, 783 12
National Asylum for Disabled Volunteer Soldiers.....	801, 088 20
Bounties to soldiers.....	17, 106, 504 39
Reimbursing States for raising volunteers.....	1, 291, 303 32
Expenses under reconstruction acts.....	381, 384 80
Horses and other property lost in service.....	201, 072 84
Washington and Oregon volunteers in 1855 and 1856..	41, 908 83
Contingencies of the Army.....	255, 446 08
Payments under relief acts.....	91, 747 60
	58, 602, 192 33
Deduct excess of repayments over expenditures.....	946, 516 93
Total Military establishment.....	57, 656, 675 40

NAVAL ESTABLISHMENT.

Pay and contingent of the Navy.....	6, 502, 676 29
Marine Corps.....	1, 018, 498 95
Yards and Docks.....	2, 388, 645 98
Equipment and Recruiting.....	2, 228, 339 37

Navigation	\$493,765 29
Ordnance	639,598 72
Construction and Repairs	5,333,069 40
Steam Engineering	1,200,013 74
Provisions and Clothing	1,570,607 80
Medicine and Surgery	389,813 15
Payments under relief acts	15,213 18
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Total Naval establishment	\$21,780,229 87
Interest on public debt	129,235,498 00
Premiums on purchase of bonds	15,996,555 60
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Total expenditures exclusive of loans	309,653,560 75
Excess of redemptions over issues of loans and treasury notes	107,779,786 13
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Total net expenditures	417,433,346 88
Balance in Treasury June 30, 1870	149,502,471 60
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	566,935,818 48
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TABLE C.—Statement of the principal of the public debt (balances) on the 1st of January of each year, from 1837 to 1843, and on the 1st day of July of each year, from 1843 to 1870.

Years.	Received from loans during the year.	Paid on account of loans during the year.	Excess of receipts over redemptions.	Excess of redemptions over receipts.	Principal of debt at the close of year.
1836	\$336,957 83				\$336,957 83
1837	2,992,989 15	\$21,822 91	\$2,971,166 24		3,308,124 07
1838	12,716,820 86	5,590,723 79	7,126,097 07		10,434,221 14
1839	3,857,276 21	10,718,133 53		\$6,860,857 32	3,573,343 62
1840	5,389,547 51	3,912,015 79	1,677,531 72		5,250,875 54
1841	13,659,317 38	5,315,712 19	8,343,605 19		13,594,480 73
1842	14,808,735 64	7,801,990 09	7,006,745 55		20,601,226 28
1843	12,479,708 36	338,012 64	12,141,695 72		32,742,922 00
1844	1,877,181 35	11,158,450 85		9,281,269 50	23,461,652 50
1845	None	7,536,349 49		7,536,349 49	15,925,303 01
1846	None	375,100 04		375,100 04	15,550,202 97
1847	28,872,399 45	5,596,067 65	23,276,331 80		38,826,534 77
1848	21,256,700 00	13,038,372 54	8,218,327 46		47,044,862 23
1849	\$23,075 00				
1850	28,388,750 00	12,804,828 54	16,016,990 46		63,161,856 69
1851	4,645,930 00	3,655,035 14	390,914 86		63,452,773 55
1852	15,303,573 92				
1853	203,400 00	654,951 45	4,852,022 47		68,304,796 02
1854	46,300 00	2,151,754 31		2,105,454 31	66,199,341 71
1855	16,350 00	6,413,574 01		6,396,224 01	59,803,117 70
1856	113,249 48	17,574,144 76		17,560,895 28	42,242,222 42
1857	800 00	6,656,065 86		6,655,265 86	35,586,956 56
1858	200 00	3,614,618 66		3,614,418 66	31,972,537 90
1859	3,900 00	3,276,606 85		3,272,706 05	28,699,831 85
1860	23,717,300 00	7,585,250 82	16,212,049 18		44,911,881 03
1861	28,287,500 00	14,702,543 15	13,584,956 85		58,496,837 88
1862	20,776,800 00	14,431,350 00	6,345,450 00		64,842,287 88
1863	\$2,019,776 10				
1864	41,861,709 74	18,142,900 00	23,738,585 84		90,580,873 72
1865	529,692,460 50	96,096,922 09	433,595,538 41		324,176,419 13
1866	776,682,361 57	181,086,635 07	595,595,726 50		1,119,772,138 63
1867	1,124,834,245 97	432,822,014 03	696,012,231 94		1,815,784,370 57
1868	1,472,224,740 85	607,361,241 68	864,863,499 17		2,680,647,869 74
1869	712,851,553 05	620,263,249 10	92,588,303 95		2,773,236,173 69
1870	640,426,916 29	735,536,980 11		95,110,069 82	2,678,126,103 87
1871	\$1,000,000 00				
1872	625,111,433 20	692,549,685 88		66,438,252 68	2,611,687,851 19
1873		\$1,000 00			
1874	238,678,081 06	261,912,718 31		23,235,637 25	2,588,452,913 94
1875	285,474,496 00	393,254,282 13		107,779,786 13	2,480,672,427 81
	\$6,684,542,550 47	4,903,870,122 66	2,836,557,776 38	356,222,306 40	

NOTE.—This statement is from warrants, except the additions noted, viz:

* \$233,075 war bounty stock; no issue charged on books.

† \$5,000,000 Texan indemnity bonds; no issue charged on books. \$303,573 92, fourth and fifth installments Mexican bonds; no issue charged on books.

‡ Including \$9,900 war bounty stock, a repayment; no expenditures the same year. \$51 67 interest on old funded debt, a repayment; no expenditures the same year.

§ \$2,019,776 10 discount on bonds of February 8, 1861; not charged to loan.

|| \$1,000,000 should be charged to Navy Pension Fund.

¶ \$1,000 to be added to redemption of loan of 5-20s, June 30, 1864, being a donation of Peters

TABLE D.—Statement of the receipts of the United States from March 4, 1789, to June 30,

Year.	Balance in the treasury at commencement of year.	Customs.	Internal revenue.	Direct tax.	Public lands.	Miscellaneous.
1791		\$4,399,473 09				\$10,478 10
1792	\$973,905 75	3,443,070 85	\$208,942 81			9,918 65
1793	783,444 51	4,255,306 56	337,705 70			21,410 88
1794	753,661 69	4,801,065 28	274,089 62			53,277 97
1795	1,151,924 17	5,588,461 26	337,755 36			28,317 97
1796	516,442 61	6,567,987 94	475,289 60		\$4,836 13	1,169,415 98
1797	888,905 42	7,549,649 65	575,491 45		83,540 60	399,139 29
1798	1,021,899 04	7,106,061 93	644,357 95		11,963 11	58,192 81
1799	617,451 43	6,610,449 31	779,136 44			86,187 56
1800	2,161,867 77	9,080,932 73	809,396 55	\$734,223 97	443 75	152,712 10
1801	2,623,311 99	10,750,778 93	1,048,033 43	534,343 38	167,726 06	345,649 15
1802	3,295,391 00	12,438,235 74	621,898 89	206,565 44	188,698 02	1,500,505 86
1803	5,020,697 64	10,479,417 61	215,179 69	71,879 20	165,675 69	131,945 44
1804	4,825,811 60	11,098,565 33	50,941 29	50,198 44	487,526 79	130,075 53
1805	4,037,005 26	12,936,487 04	21,747 15	21,882 91	540,193 80	40,382 30
1806	3,999,388 99	14,667,698 17	20,101 45	55,763 86	765,245 73	51,121 86
1807	4,538,123 80	15,845,521 61	13,051 40	34,732 56	466,163 27	38,550 42
1808	9,643,850 07	16,363,550 58	8,190 23	19,159 21	647,939 06	21,822 85
1809	9,941,809 96	7,257,506 62	4,034 29	7,517 31	442,252 33	62,162 57
1810	3,848,056 78	8,583,309 31	7,430 63	12,448 68	696,548 82	84,476 84
1811	2,672,276 57	13,313,222 73	2,295 95	7,666 66	1,040,237 53	59,211 22
1812	3,502,305 80	8,958,777 53	4,503 06	859 22	710,427 78	126,165 17
1813	3,862,217 41	13,224,623 25	4,755 04	3,805 52	835,655 14	271,571 00
1814	5,196,542 00	5,998,772 08	1,662,984 82	2,219,497 36	1,135,971 09	164,309 81
1815	1,727,848 63	7,282,942 22	4,678,059 07	2,162,673 41	1,287,939 28	285,282 84
1816	13,106,592 88	36,306,874 88	5,124,708 31	4,253,635 09	1,717,985 03	273,782 35
1817	22,033,519 19	26,283,348 49	2,678,100 77	1,834,187 04	1,991,226 06	109,761 08
1818	14,989,465 48	17,176,385 00	955,270 20	264,333 36	2,606,564 77	57,617 71
1819	1,478,526 74	20,583,608 76	229,593 63	83,650 78	3,274,422 78	57,098 42
1820	2,079,992 38	15,005,612 15	106,260 53	31,566 82	1,635,871 61	61,238 44
1821	1,198,461 21	13,004,447 15	69,027 63	29,349 05	1,212,966 46	152,569 43
1822	1,681,592 94	17,589,761 94	67,665 71	20,961 56	1,803,581 54	452,957 19
1823	4,217,427 55	19,088,433 44	34,242 17	10,337 71	1,916,523 10	141,129 84
1824	9,463,922 81	17,878,325 71	34,663 37	6,201 96	984,418 15	127,603 60
1825	1,946,597 13	20,098,713 45	25,771 35	2,330 85	1,216,090 56	130,451 81
1826	5,201,650 43	23,341,331 77	21,589 93	6,638 76	1,393,785 09	94,588 66
1827	6,358,686 18	22,283,282 29	19,885 68	2,626 90	1,495,845 26	1,315,722 83
1828	6,069,286 10	23,205,523 64	17,451 54	2,218 81	1,018,308 75	65,126 49
1829	5,972,435 21	22,681,965 91	14,502 74	11,335 05	1,517,175 13	112,648 55
1830	5,755,704 79	21,922,391 39	12,160 62	16,980 59	2,329,356 14	73,227 77
1831	6,014,530 75	24,224,441 77	6,933 51	10,506 01	3,210,815 48	54,124 05
1832	4,502,914 45	28,465,337 94	11,630 65	6,791 13	2,623,381 03	270,410 61
1833	2,011,777 55	29,032,508 91	2,750 00	394 12	3,967,692 55	470,096 67
1834	11,702,905 31	16,214,937 15	4,196 09	19 80	4,857,600 69	480,212 32
1835	8,892,858 42	19,391,310 59	10,459 48	4,263 33	14,757,690 75	739,972 13
1836	26,749,893 06	23,409,940 53	370 00	728 79	24,877,179 86	2,245,902 21
1837	46,708,436 00	11,169,290 39	5,493 84	1,687 70	6,776,236 52	7,001,444 59
1838	37,327,252 69	16,158,800 36	2,467 27		3,730,945 66	6,410,348 45
1839	36,891,196 94	23,137,944 81	2,553 32	755 22	7,361,576 40	979,939 86
1840	33,157,503 68	13,499,502 17	1,682 25		3,411,818 63	2,567,112 28
1841	29,963,163 46	14,487,216 74	3,261 36		1,365,637 42	1,004,054 75
1842	28,685,111 04	18,187,908 76	405 00		1,335,797 52	451,995 97
1843	31,521,979 44	7,046,843 91	103 25		898,158 18	285,895 92
1844	39,186,284 74	26,183,570 94	1,777 34		2,050,939 80	1,075,419 79
1845	36,742,829 62	27,528,112 70	3,517 12		2,077,022 30	361,453 68
1846	36,194,274 81	26,712,667 87	2,897 26		2,694,452 48	229,950 13
1847	38,261,950 65	23,747,664 66	375 00		2,498,355 20	220,808 30
1848	31,079,276 43	31,757,070 96	375 00		3,328,642 56	612,610 69
1849	4,416,612 45	28,346,738 82			1,668,959 55	685,379 13
1850	2,227,082 69	39,668,686 42			1,859,894 25	2,064,308 21
1851	1,871,753 31	49,017,567 94			2,352,305 30	1,185,166 11
1852	40,158,333 25	47,339,326 62			2,043,239 58	464,249 40
1853	43,338,860 02	58,931,665 52			1,667,084 99	988,181 17
1854	50,261,901 09	64,224,190 27			8,470,798 29	1,105,352 74
1855	49,591,073 41	53,025,794 81			11,497,049 07	827,731 40
1856	47,777,672 13	64,924,663 50			8,917,644 93	1,116,190 81
1857	49,108,229 60	63,875,905 05			3,829,486 64	1,250,920 30
1858	46,892,855 00	41,789,630 96			3,513,715 87	1,352,929 14
1859	35,113,334 22	49,474,834 38			1,756,687 30	1,454,296 24
1860	33,193,248 60	53,184,511 87			1,772,557 71	1,088,530 25
1861	32,979,530 78	39,582,125 64			870,658 54	1,024,515 31
1862	30,963,857 83	49,056,397 62		1,795,331 73	152,203 77	915,327 97
1863	46,965,304 87	69,059,642 40	37,640,787 95	1,485,103 61	167,617 17	3,741,794 38

* For the half year from January

REPORT OF THE SECRETARY OF THE TREASURY.

41

1870, by calendar years to 1843, and by fiscal years (ending June 30) from that time.

Year	Dividends.	Interest.	Premiums.	Receipts from loans and treasury notes.	Gross receipts.	Unavailable.
1791				\$361,391 34	\$4,771,349 53	
1792	\$2,000 00			5,102,498 45	8,772,456 78	
1793	2,500 00			1,797,272 01	6,450,195 15	
1794	383,473 00			4,007,950 78	9,438,853 65	
1795	160,000 00	\$4,400 00		2,398,494 00	9,515,750 50	
1796	160,000 00	62,400 00		390,000 00	8,740,339 65	
1797	10,000 00			70,000 00	8,754,740 99	
1798	79,930 00	72,673 00		800,000 00	8,179,170 60	
1799	71,040 00			5,000,000 00	12,546,813 31	
1800	71,040 00			1,565,229 94	12,413,978 34	
1801	10,000 00	10,135 00			12,945,455 95	
1802	30,960 00				14,985,793 95	
1803					11,064,087 63	
1804					11,836,307 38	
1805					13,560,693 90	
1806					15,550,931 07	
1807					16,394,019 96	
1808					17,000,461 03	
1809					7,773,473 12	
1810				2,750,000 00	12,134,214 29	
1811					14,422,634 00	
1812				12,537,000 00	24,639,032 16	
1813		300 00		26,184,135 00	40,524,844 85	
1814		15 79		23,377,236 00	34,559,536 95	
1815		11,541 74	\$32,107 64	35,220,671 40	50,961,257 60	
1816		6,665 16	646 00	9,425,244 91	57,171,421 89	
1817	292,424 30	267,119 14		466,723 45	33,433,592 33	
1818	675,000 00	412 62		8,253 00	31,503,906 66	
1819	675,000 00			2,201 00	24,605,065 37	
1820	1,000,000 00		40,000 00	3,040,294 13	20,621,493 69	
1821	100,000 00			5,000,324 00	19,573,703 79	
1822	297,500 00				20,222,427 94	
1823	150,000 00				20,540,686 96	
1824	150,000 00			5,000,000 00	24,341,212 79	
1825	307,500 00			5,000,000 00	26,840,456 02	
1826	402,500 00				25,800,434 21	
1827	430,000 00				22,866,383 96	
1828	455,000 00				24,763,629 23	
1829	490,000 00				24,687,687 36	
1830	490,000 00				24,644,116 51	
1831	490,000 00				22,526,780 24	
1832	490,000 00				31,867,450 66	\$1,689 50
1833	474,705 00				33,949,426 25	
1834	210,347 50				31,791,935 55	
1835	500,440 22				35,430,047 10	
1836	592,674 67				50,426,796 04	
1837				2,992,949 15	27,947,142 19	63,281 35
1838				12,716,230 66	39,019,342 60	
1839				3,457,376 21	33,340,925 93	1,456,792 93
1840				5,549,547 51	25,002,682 84	37,469 25
1841				13,659,317 32	30,519,477 65	
1842				14,408,735 64	34,744,932 99	11,188 00
1843			71,700 43	12,479,704 36	20,742,410 45	
1844			666 60	1,477,141 35	31,194,555 73	
1845					29,970,105 40	28,251 90
1846					29,699,967 74	
1847			2,365 91	2,472,399 45	55,364,168 32	30,000 00
1848			37,000 00	21,256,700 00	56,992,479 21	
1849			47,065 41	2,500,750 00	59,796,992 94	
1850			10,550 00	4,045,950 00	47,649,364 19	
1851			4,264 92	203,400 00	52,762,704 25	
1852				46,300 00	49,493,115 60	
1853			22 50	16,350 00	61,603,474 18	103,391 37
1854				2,001 67	73,402,343 07	
1855				800 00	65,351,374 69	
1856				200 00	74,026,999 34	
1857				3,900 00	64,989,212 57	
1858				23,717,300 00	70,372,665 96	
1859			709,357 72	2,207,500 00	81,773,965 64	15,408 34
1860			10,000 00	20,776,000 00	76,841,407 83	
1861			33,630 90	41,461,709 74	83,371,640 13	
1862			64,000 00	529,602,460 50	521,640,121 50	11,110 21
1863			602,345 44	776,622,361 57	829,379,652 52	6,000 01

1, 1863, to June 30, 1863.

TABLE D.—Statement of the receipts of the United States

Year.	Balance in the treasury at commencement of year.	Customs.	Internal revenue.	Direct tax.	Public lands.	Miscellaneous.
1864	\$36,523,046 13	\$102,316,152 99	\$109,741,134 10	\$475,648 96	\$588,333 29	\$30,291,701 86
1865	134,433,738 44	84,928,260 60	209,464,215 25	1,200,573 03	996,553 31	25,441,556 00
1866	33,933,657 89	179,046,651 58	309,226,813 42	1,974,754 12	665,031 03	29,036,314 23
1867	160,817,099 73	176,417,810 88	266,027,537 43	4,200,233 70	1,163,575 76	15,037,522 15
1868	198,076,537 09	164,464,599 56	191,087,589 41	1,788,145 85	1,348,715 41	17,745,403 59
1869	158,938,082 87	180,048,426 63	158,356,460 86	765,685 61	4,020,344 31	13,997,338 65
1870	183,781,985 76	194,538,374 44	184,899,756 49	229,102 88	3,350,481 76	12,942,118 36
.....	2,774,990,382 66	1,468,722,307 70	26,659,317 05	189,394,825 40	198,373,498 53	

* This item is an amount heretofore credited to the Treasury

from March 4, 1789, to June 30, 1870, &c.—Continued.

Year.	Dividenda.	Interest.	Premiums.	Receipts from loans and treasury notes.	Gross receipts.	Unavailable.
1864			\$21,174,101 01	\$1,129,673,945 36	\$1,383,461,017 57	\$9,210 40
1865			11,643,446 69	1,472,224,740 85	1,805,939,345 93	6,095 11
1866			34,083,635 68	712,851,553 05	1,370,864,173 11	172,094 20
1867			27,787,330 35	640,426,910 29	1,131,060,920 56	721,227 83
						2,675,918 19
1868			20,203,628 50	625,111,433 20	1,030,740,516 52	
1869			13,755,491 12	238,672,081 06	609,621,828 27	*2,070 73
1870			15,255,643 76	285,474,496 00	606,720,973 63	.....
	\$9,720,136 29	\$443,224 45	150,118,950 34	6,825,772,517 91	11,673,167,160 38	2,673,247 46

as unavailable and since recovered and charged to his account.

TABLE F.—Statement of the expenditures of the United States from March 4, 1789, to June 30, 1870, by calendar years to 1843, and by fiscal years (ending June 30) from that time.

Year.	War.	Navy.	Indiana.	Pensions.	Miscellaneous.	Premiums.	Interest.	Public debt.	Gross expendi- tures.	Balance in treasury at the end of the year.
1791	\$692,904 03		\$97,000 00	\$175,813 88	\$1,023,971 61		\$1,177,853 03	\$800,964 23	\$3,797,436 76	\$973,965 75
1792	1,100,702 09		13,648 85	109,243 15	4,672,664 38		2,373,611 29	683,650 25	8,902,920 00	783,444 51
1793	1,130,249 08		57,292 83	80,867 81	511,431 01		2,097,820 04	2,634,048 07	9,470,977 97	723,661 69
1794	1,630,097 59		13,042 46	81,399 24	726,350 74		2,792,820 04	2,743,771 13	9,041,203 37	1,151,924 17
1795	2,460,910 13	\$61,408 97	23,475 64	66,673 22	1,374,939 66		3,079,039 06	2,841,629 37	10,151,340 15	516,442 61
1796	2,490,983 84	410,363 04	66,673 22	100,843 71	801,847 38		3,259,347 68	2,577,126 01	8,367,776 54	888,905 42
1797	1,039,402 46	392,631 89	62,896 54	92,556 97	1,250,422 62		3,172,516 73	2,675,250 12	8,625,877 37	1,021,809 04
1798	2,009,562 30	1,381,347 76	16,470 09	104,845 33	1,189,254 94		3,935,575 90	2,976,632 09	8,563,618 41	617,451 43
1799	2,406,946 96	2,436,011 44	50,302 19	95,444 03	1,639,301 68		3,402,611 04	1,706,578 84	11,002,206 97	2,623,311 99
1800	2,500,876 77	3,436,716 83	31 22	64,130 73	1,337,613 22		4,411,830 06	1,186,563 11	13,573,376 94	3,205,391 00
1801	1,672,944 08	9,115,424 00	9,000 00	85,440 39	1,114,768 45		4,239,172 16	5,294,235 94	13,370,487 31	4,825,811 60
1802	1,176,146 08	1,215,230 53	60,000 00	62,902 10	1,842,929 45		3,940,462 36	3,306,607 07	11,255,965 67	4,037,005 36
1803	822,635 85	1,180,832 75	116,500 00	80,092 80	2,191,009 43		4,185,048 74	3,987,206 07	12,615,113 72	3,999,368 99
1804	875,423 03	1,507,500 00	196,300 00	81,854 53	3,708,568 75		4,627,114 22	4,563,910 03	13,208,369 47	4,538,123 80
1805	712,791 28	1,640,611 44	224,300 00	81,875 53	2,816,137 01		3,369,578 48	5,372,014 64	15,021,196 36	9,643,850 97
1806	1,224,335 58	1,722,064 47	205,425 00	82,576 04	1,697,897 51		3,369,578 48	7,933,141 62	11,292,292 99	9,941,809 96
1807	1,288,855 91	1,874,067 80	213,575 00	82,576 04	1,423,285 61		2,537,074 23	7,701,268 96	16,762,762 04	3,848,056 78
1808	2,900,834 40	2,427,738 40	337,503 84	87,853 54	1,215,803 79		2,896,074 90	4,835,241 12	13,369,914 49	2,672,370 57
1809	3,345,772 17	1,654,244 30	177,625 00	85,744 16	1,101,144 98		3,163,671 09	5,414,564 43	13,592,004 86	3,392,305 89
1810	2,924,922 10	1,551,875 00	151,875 00	75,043 88	1,307,291 40		2,585,435 57	5,414,564 43	22,370,121 15	3,892,317 41
1811	11,817,708 24	3,920,365 15	277,845 00	91,402 10	1,683,098 21		4,531,272 57	7,998,349 88	30,190,220 32	5,196,542 03
1812	19,602,013 02	6,446,000 10	167,358 96	86,969 91	1,720,435 61		3,509,435 22	7,308,068 22	38,628,230 32	13,106,592 88
1813	30,320,806 86	7,311,290 60	167,358 96	90,164 36	2,208,029 70		5,990,030 24	3,307,304 90	46,244,495 51	32,033,519 19
1814	14,704,096 82	8,600,000 35	390,750 00	189,404 15	2,898,741 47		4,536,252 55	6,638,832 11	50,877,046 04	14,989,465 48
1815	18,012,926 53	3,913,665 00	274,512 16	189,404 15	3,318,936 76		6,200,252 55	13,886,727 57	35,104,875 40	1,478,266 74
1816	5,692,715 17	3,313,665 00	319,463 71	297,374 43	3,853,820 51		5,211,700 56	2,462,105 73	24,004,199 73	2,079,992 38
1817	2,602,715 17	505,704 97	463,141 39	290,719 90	3,067,621 94		5,171,700 56	2,462,105 73	21,763,024 85	1,198,461 21
1818	2,630,302 37	3,847,990 00	315,750 01	2,204,376 31	2,592,021 94		5,171,700 56	3,241,019 83	19,090,572 69	1,621,392 24
1819	4,461,291 78	3,310,243 06	477,005 44	2,424,817 25	1,907,996 94		5,172,798 70	2,676,100 33	17,076,992 63	4,297,437 55
1820	3,111,961 88	2,524,438 98	575,007 41	1,948,199 40	1,907,996 94		4,943,527 93	607,541 01	15,314,171 00	9,403,922 84
1821	3,696,924 43	2,904,763 83	380,741 82	1,760,564 52	2,022,003 99		4,943,527 93	11,034,853 83	23,355,204 72	5,201,650 13
1822	3,340,929 85	2,904,763 83	429,047 90	1,499,356 59	7,153,302 81		3,975,542 05	7,726,567 38	24,103,208 46	6,336,686 18
1823	3,620,914 16	3,040,083 86	724,106 44	1,306,810 57	2,748,544 89		3,496,711 51	6,517,506 88	22,650,764 04	6,065,286 10
1824	3,943,194 37	3,418,962 45	743,447 83	1,556,503 83	2,000,177 70		3,198,890 60	6,414,637 47	25,420,479 52	5,972,435 81
1825	3,145,544 56	3,963,877 45	705,024 88	976,138 86	2,713,476 58		2,542,543 23	9,800,304 77	25,044,358 40	5,753,704 79
1826	4,143,977 88	3,918,786 44	705,024 88	800,573 57	3,616,032 63		1,912,574 93	9,434,173 29	24,352,261 55	4,014,529 75
1827	4,767,126 88	3,963,426 63	692,392 47	1,363,297 31	3,237,416 04		1,373,746 74	14,600,629 48	30,028,446 12	4,502,914 45
1828	4,841,555 55	3,856,163 07	830,738 04	1,170,065 14	3,064,646 10					

REPORT OF THE SECRETARY OF THE TREASURY.

41

1870, by calendar years to 1843, and by fiscal years (ending June 30) from that time.

Year	Dividends.	Interest.	Premiums.	Receipts from loans and treasury notes.	Gross receipts.	Unavailable.
1791				\$361,391 34	\$4,771,342 53	
1792	\$2,028 00			5,102,498 45	8,772,458 76	
1793	38,500 00			1,797,272 01	6,450,195 15	
1794	303,472 00			4,007,950 78	9,439,855 65	
1795	160,000 00	\$4,800 00		3,396,424 00	9,515,758 59	
1796	160,000 00	42,800 00		320,000 00	8,740,329 65	
1797	80,960 00			70,000 00	8,758,780 99	
1798	79,920 00	78,675 00		200,000 00	8,179,170 80	
1799	71,040 00			5,000,000 00	12,546,813 31	
1800	71,040 00			1,565,229 24	12,413,978 34	
1801	88,800 00	10,125 00			12,945,455 95	
1802	39,960 00				14,995,793 95	
1803					11,064,097 63	
1804					11,826,307 38	
1805					13,560,693 20	
1806					15,550,931 07	
1807					16,398,019 26	
1808					17,060,661 93	
1809					7,773,473 12	
1810				2,750,000 00	12,134,214 28	
1811					14,422,634 09	
1812				12,837,900 00	22,639,039 76	
1813		300 00		26,184,135 00	40,524,844 95	
1814		85 79		23,377,826 00	34,559,536 95	
1815		11,541 74	\$32,107 64	35,220,671 40	50,961,237 60	
1816		68,665 16	686 09	9,425,084 91	57,171,421 82	
1817	209,426 30	267,819 14		466,723 45	33,833,592 33	
1818	525,000 00	412 62		8,353 00	21,593,936 66	
1819	675,000 00			2,291 00	24,605,665 37	
1820	1,000,000 00		40,000 00	3,000,894 13	20,891,493 68	
1821	105,000 00			5,000,324 00	19,573,703 72	
1822	297,500 00				20,232,427 94	
1823	350,000 00				20,540,666 26	
1824	350,000 00			5,000,000 00	24,381,212 79	
1825	367,500 00			5,000,000 00	26,840,858 02	
1826	402,500 00				25,260,434 21	
1827	420,000 00				25,966,383 96	
1828	455,000 00				24,763,629 23	
1829	490,000 00				24,827,627 38	
1830	493,000 00				24,844,116 51	
1831	490,000 00				28,526,920 82	
1832	490,000 00				31,867,450 66	\$1,889 50
1833	474,985 00				33,946,426 25	
1834	234,349 50				21,791,935 55	
1835	506,480 82				35,430,087 10	
1836	892,674 67				50,826,796 08	
1837				2,992,989 15	27,947,142 19	63,288 35
1838				12,716,820 86	39,019,382 60	
1839				3,857,276 21	35,340,025 82	1,458,722 93
1840				5,589,547 51	25,069,662 84	37,469 25
1841				13,659,317 38	30,519,477 65	
1842				14,808,735 64	34,784,932 29	11,188 00
1843			71,700 83	12,479,708 36	20,782,410 45	
1844			666 60	1,877,181 35	31,198,555 73	
1845					20,970,105 80	28,251 90
1846					29,699,967 74	
1847					55,368,168 52	30,000 00
1848			28,365 91	28,872,399 45	56,992,479 21	
1849			37,080 00	21,256,700 00	59,796,892 98	
1850			467,065 48	2,588,750 00	47,649,388 88	
1851			10,550 00	4,045,950 00	52,782,704 25	
1852			4,264 92	203,400 00	49,893,115 60	
1853				46,300 00	61,603,404 18	103,301 37
1854			23 50	16,350 00	73,802,343 07	
1855				2,001 67	65,351,374 68	
1856				800 00	74,056,899 24	
1857				200 00	68,969,212 57	
1858				3,900 00	70,372,665 96	
1859				23,717,300 00	81,773,965 64	15,408 34
1860			709,357 72	28,287,500 00	76,841,407 83	
1861			10,008 00	20,776,800 00	83,371,640 13	
1862			33,630 90	41,861,709 74	581,680,121 59	11,110 81
1863			68,400 00	529,692,460 50	889,379,652 52	6,000 01
1863			602,345 44	776,682,361 57		

1, 1843, to June 30, 1843.

TABLE D.—Statement of the receipts of the United States

Year.	Balance in the treasury at commencement of year.	Customs.	Internal revenue.	Direct tax.	Public lands.	Miscellaneous.
1864	\$36,522,046 13	\$102,316,152 99	\$109,741,134 10	\$475,648 96	\$588,333 29	\$30,291,701 86
1865	134,433,738 44	84,928,260 60	209,464,215 25	1,300,573 03	996,533 31	25,441,556 00
1866	33,933,657 89	179,046,651 58	309,226,813 42	1,974,754 12	663,031 03	29,036,314 93
1867	160,817,099 73	176,417,810 88	266,027,537 43	4,200,233 70	1,163,575 76	15,037,522 15
1868	198,076,537 09	164,464,599 56	191,087,589 41	1,788,145 85	1,348,715 41	17,745,403 59
1869	154,936,082 87	180,048,420 63	158,356,460 86	765,685 61	4,020,344 31	13,907,338 65
1870	183,781,985 76	194,538,374 44	184,699,756 49	229,102 88	3,350,481 76	12,942,118 30
.....		3,774,990,382 66	1,488,722,307 70	26,659,317 05	189,324,825 40	198,373,498 58

* This item is an amount heretofore credited to the Treasury

REPORT OF THE SECRETARY OF THE TREASURY.

43

from March 4, 1789, to June 30, 1870, &c.—Continued.

Year.	Dividends.	Interest.	Premiums.	Receipts from loans and treasury notes.	Gross receipts.	Unavailable.
1864	.....	.....	\$31, 174, 101 01	\$1, 128, 873, 945 36	\$1, 393, 461, 017 57	\$9, 210 40
1865	.....	.....	11, 683, 446 89	1, 472, 224, 740 85	1, 805, 939, 345 03	6, 095 11
1866	.....	.....	38, 083, 055 68	712, 851, 553 05	1, 270, 884, 173 11	173, 094 20
1867	.....	.....	27, 787, 330 35	640, 426, 910 29	1, 131, 060, 920 56	721, 827 93
						2, 675, 918 19
1868	.....	.....	29, 203, 629 50	625, 111, 433 20	1, 030, 749, 516 52	
1869	.....	.....	13, 755, 491 12	238, 678, 081 06	609, 621, 828 27	*2, 070 73
1870	.....	.....	15, 225, 643 76	285, 474, 496 00	696, 729, 973 63	.....
	\$9, 720, 136 29	\$485, 224 45	159, 118, 950 34	6, 825, 773, 517 91	11, 673, 167 160 38	2, 673, 847 46

as unavailable and since recovered and charged to his account.

TABLE F.—Statement of the bonds issued to the several Pacific Railway companies in aid of their construction, under acts of July 1, 1862, (12 Statutes, 492,) and July 2, 1864, (13 Statutes, 356.) These bonds are payable thirty years from date and bear interest at six per centum per annum in lawful money, which is paid by the United States.

Name of company.	Amount outstanding.	Interest accrued and not yet paid.	Interest paid by United States.	Interest repaid by transportation, &c.	Balance of interest paid by United States.
Union Pacific.....	\$27,075,000 00	\$812,250 00	\$2,891,739 85	\$1,289,576 87	\$1,602,152 98
Kansas Pacific.....	6,303,000 00	189,090 00	1,023,903 09	684,359 12	339,543 97
Sioux City and Pacific.....	1,628,320 00	48,849 60	145,358 29	390 08	144,962 21
Central Pacific.....	25,821,000 00	770,605 78	2,491,744 26	164,054 17	2,327,690 09
Central Branch Union Pacific.	1,600,000 00	48,000 00	253,808 26	7,401 92	246,406 34
Western Pacific.....	1,970,000 00	57,966 40	73,288 76	.....	73,288 76
Total.....	64,457,320 00	1,926,761 78	6,879,832 51	2,145,788 16	4,734,044 35

TABLE G.—Recapitulation, by loans, of 5-20 bonds, bought for the sinking and special funds, showing their total average cost, in currency and in gold, to date.

Loans.	Principal	Amount paid.	Currency value of interest accrued on bonds bought "flat."	Net cost.	Net cost estimated in gold.	Average ratio of premium on total purchases to date.	Average cost in gold of total purchases to date.
5-20's of 1862.....	\$18,562,300	\$21,057,107 65	\$938 14	\$21,056,169 51	\$16,894,301 33	\$13 44	\$91 01
5-20's of March 1864.....	758,900	903,808 35	12 48	903,795 87	671,386 94	19 09	88 47
5-20's of June 1864.....	20,418,550	23,178,318 84	4,024 32	23,174,294 52	18,691,301 47	14 96	91 54
5-20's of 1865.....	16,527,800	18,571,884 04	53 48	18,571,830 56	15,389,086 09	19 37	93 11
Consols of 1865.....	62,689,600	70,730,650 24	24,983 62	70,705,675 56	57,670,142 24	11 19	91 99
Consols of 1867.....	39,760,500	45,945,845 89	744 92	45,945,100 97	35,817,463 84	13 94	90 09
Consols of 1868.....	2,872,100	3,350,238 95	91 90	3,350,147 05	2,541,181 72	13 30	88 48
Total.....	161,589,750	183,037,862 96	30,848 92	183,007,014 04	147,674,893 56	13 25	91 39

NOTE.—For details see Table M.

TABLE H.—Returns, by award of the United States Court of Claims, of proceeds of property seized as captured or abandoned, under the act of March 12, 1863, paid from July 1, 1860, to June 30, 1870.

Date.	Name.	Amount.
September 20, 1869.....	John R. Holland.....	\$1,870 26
March 11, 1870.....	Huldah L. Stanton, guardian.....	51,696 16
March 12, 1870.....	Nelson Anderson.....	4,550 16
March 25, 1870.....	William Pollard.....	9,834 29
April 5, 1870.....	Charles J. Quinby.....	67,015 02
April 5, 1870.....	Philip Hayes.....	1,085 28
April 5, 1870.....	H. Henry Knee.....	1,141 28
April 20, 1870.....	Edward Fordham.....	1,262 04
April 25, 1870.....	Nathan Blinn.....	4,556 97
April 27, 1870.....	Calvin L. Gilbert.....	2,973 08
April 27, 1870.....	Henry Wayne.....	2,649 12
April 27, 1870.....	Delancy Jenks.....	696 71
April 27, 1870.....	John Habersham.....	1,655 70
April 28, 1870.....	Morris Kohn.....	109,771 28
May 2, 1870.....	Joseph Mintz and Simon Fass.....	1,295 02
May 2, 1870.....	Charles R. Gellfuss.....	1,731 00
May 2, 1870.....	John H. Fain.....	8,380 02
May 3, 1870.....	Edward Padelford.....	107,041 00
June 4, 1870.....	C. B. Miller and J. B. Fellows.....	17,338 00
June 22, 1870.....	Henry Fields.....	297 85
June 22, 1870.....	Joseph White.....	1,821 27
Total.....	.....	493,088 36

1829	5,446,034.88	3,036,370.20	1,359,410.75	1,184,422.40	4,577,141.45	772,561.50	17,067,747.79	34,357,098.06	9,011,777.55
1830	6,104,104.10	3,901,336.75	1,892,080.83	4,340,132.40	5,716,245.93	303,704.97	1,820,746.51	34,357,098.06	11,023,963.31
1831	5,698,126.38	3,936,920.42	1,031,553.30	3,364,945.30	4,444,704.55	992,152.94	5,974,412.91	34,357,098.06	11,023,963.31
1832	5,739,136.86	3,864,920.06	1,706,444.40	1,954,711.30	4,290,604.53	57,863.08	17,573,741.54	34,357,098.06	11,023,963.31
1833	11,747,845.25	5,607,718.53	5,037,023.68	2,692,767.06	5,903,770.72	91,428.91	5,903,770.72	34,357,098.06	11,023,963.31
1834	11,082,730.90	6,446,014.53	4,944,036.34	2,672,189.45	5,903,770.72	91,428.91	5,903,770.72	34,357,098.06	11,023,963.31
1835	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1836	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1837	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1838	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1839	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1840	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1841	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1842	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1843	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1844	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1845	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1846	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1847	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1848	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1849	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1850	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1851	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1852	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1853	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1854	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1855	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1856	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1857	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1858	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1859	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1860	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1861	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1862	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1863	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1864	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1865	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31
1866	11,016,055.46	6,131,504.25	5,594,101.34	2,545,027.99	5,739,960.76	11,996.46	5,594,101.34	34,357,098.06	11,023,963.31

† Outstanding warrants.

* For the half year from January 1, 1842, to June 30, 1843.

NOTE.—This statement is made from warrants paid by the Treasurer up to June 30, 1866. The outstanding warrants are then added, and the statement is by warrants issued from that date. The balance in the treasury June 30, 1870, by this statement, is \$177,004,116 51, from which should be deducted the amount deposited with the States, \$23,101,644 91, leaving the net available balance, June 30, 1870, \$153,902,471 60.

TABLE F.—Statement of the bonds issued to the several Pacific Railway companies in aid of their construction, under acts of July 1, 1862, (12 Statutes, 492,) and July 2, 1864, (13 Statutes, 356.) These bonds are payable thirty years from date and bear interest at six per centum per annum in lawful money, which is paid by the United States.

Name of company.	Amount outstanding.	Interest accrued and not yet paid.	Interest paid by United States.	Interest repaid by transportation, &c.	Balance of interest paid by United States.
Union Pacific.....	\$27,075,000 00	\$812,250 00	\$2,891,739 85	\$1,289,576 87	\$1,602,152 98
Kansas Pacific.....	6,303,000 00	189,090 00	1,023,903 09	684,359 12	339,543 97
Sioux City and Pacific.....	1,628,320 00	48,849 60	145,358 29	396 08	144,962 21
Central Pacific.....	25,881,000 00	770,605 78	2,491,744 26	164,054 17	2,327,690 09
Central Branch Union Pacific.....	1,600,000 00	48,000 00	253,808 26	7,401 92	246,406 34
Western Pacific.....	1,970,000 00	57,966 40	73,268 76	.....	73,268 76
Total.....	64,457,320 00	1,926,761 78	6,879,832 51	2,145,788 16	4,734,044 35

TABLE G.—Recapitulation, by loans, of 5-20 bonds, bought for the sinking and special funds, showing their total average cost, in currency and in gold, to date.

Loans.	Principal.	Amount paid.	Currency value of interest accrued on bonds bought "flat."	Net cost.	Net cost estimated in gold.	Average rate of premium on total purchases to date.	Average cost in gold of total purchases to date.
5-20's of 1862	\$18,562,300	\$21,057,107 65	\$938 14	\$21,056,169 51	\$16,294,301 33	\$13 44	\$91 01
5-20's of March 1864.....	758,900	903,808 35	12 48	903,795 87	671,396 94	19 09	88 47
5-20's of June 1864.....	20,418,550	23,178,318 84	4,024 32	23,174,294 52	18,691,301 47	14 96	91 54
5-20's of 1865	16,527,800	18,571,884 04	53 48	18,571,830 56	15,389,086 02	12 37	93 11
Consols of 1865	62,689,600	70,730,650 24	24,983 62	70,705,675 56	57,670,142 24	11 19	91 89
Consols of 1867	39,760,500	45,245,845 89	744 92	45,245,100 97	35,817,483 84	13 04	90 09
Consols of 1870	2,872,100	3,350,238 95	91 90	3,350,147 05	2,541,181 72	13 30	88 48
Total.....	161,569,750	183,037,862 96	30,848 92	183,007,014 04	147,674,893 56	13 25	91 39

NOTE.—For details see Table M.

TABLE H.—Returns, by award of the United States Court of Claims, of proceeds of property seized as captured or abandoned, under the act of March 12, 1863, paid from July 1, 1860, to June 30, 1870.

Date.	Name.	Amount.
September 20, 1869	John R. Holland	\$1,870 26
March 11, 1870	Iuliah L. Stanton, guardian	51,686 16
March 12, 1870	Nelson Anderson	6,550 16
March 25, 1870	William Pollard	9,834 80
April 5, 1870	Charles J. Quinby	67,015 00
April 5, 1870	Philip Hayes	1,095 28
April 5, 1870	H. Henry Kase	1,141 28
April 20, 1870	Edward Fordham	1,381 94
April 25, 1870	Nathan Blum	4,558 97
April 27, 1870	Calvin L. Gilbert	3,973 08
April 27, 1870	Henry Wayne	2,649 12
April 27, 1870	Delancy Jenks	496 71
April 28, 1870	John Habersham	1,635 70
April 28, 1870	Morris Kohn	169,771 28
May 2, 1870	Joseph Mints and Simon Fass	1,395 08
May 2, 1870	Charles H. Geilfuss	1,731 00
May 2, 1870	John H. Fain	8,369 00
May 3, 1870	Edward Padelford	167,041 00
June 4, 1870	C. B. Miller and J. B. Fellows	17,532 00
June 22, 1870	Henry Fields	227 65
June 22, 1870	Joseph White	1,021 27
Total .....	.....	493,082 36

TABLE I.—*Awards of the United States Court of Claims of proceeds of property seized as captured or abandoned, under act of March 12, 1863, decreed but not paid previous to June 30, 1870.*

Date of decree.		Amount
May 9, 1870	S. Alexander Smith	4,336 35
May 9, 1870	James Melvin	969 40
May 9, 1870	Antonio Ponce	5,898 81
May 16, 1870	Warren M. Benton	36,963 07
May 23, 1870	August Giefuss	4,211 20
May 23, 1870	Ferdinand Brown	2,219 86
Total		69,202 45

PAPERS

ACCOMPANYING

REPORT OF THE SECRETARY OF THE TREASURY.

REPORT OF THE COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, October 31, 1870.

SIR: I have the honor to transmit herewith the tabular statements made up from the accounts of this office, which the Secretary of the Treasury is required to lay before Congress, as follows:

Table A, showing the receipts from each specific source of revenue and the amounts refunded in each collection district, State, and Territory of the United States for the fiscal year ending June 30, 1870.

Table B, showing the number and value of internal revenue stamps ordered monthly by the Commissioner, the receipts from the sale of stamps and the commissions allowed on the same; also the number and value of stamps for tobacco, cigars, snuff, distilled spirits, and fermented liquors, issued monthly to collectors during the fiscal year ending June 30, 1870.

Table C, showing the territorial distribution of internal revenue from various sources in the United States.

Table D, showing the aggregate receipts from each collection district, State, and Territory for the fiscal years ending June 30, 1863, 1864, 1865, 1866, 1867, 1868, 1869, and 1870.

Table E, showing the total collections from each specific source of revenue for the fiscal years ending June 30, 1863, 1864, 1865, 1866, 1867, 1868, 1869, and 1870, respectively.

Table F, showing the ratio of receipts from specific sources to the aggregate of all collections for the fiscal years ending June 30, 1864, 1865, 1866, 1867, 1868, 1869, and 1870, respectively.

Table G, an abstract of reports of district attorneys concerning suits and prosecutions under the internal revenue laws.

These tables exhibit the full result of the operations of this Bureau from its organization to the present time.

The estimate submitted in my annual report for 1869, of the probable receipts from internal revenue sources, exclusive of the direct tax upon lands and the duty upon the circulation and deposits of national banks, for the fiscal year 1870, has been more than realized. That estimate was \$175,000,000, and the aggregate receipts, under the then existing laws, are shown to be \$185,235,867 97, an excess of \$10,235,867 97 beyond the estimate. This aggregate includes the sums refunded for taxes illegally assessed and collected, amounting to \$196,809 81, as well as the amount of commissions of collectors.

Drawbacks have only been allowed on general merchandise under section 171, act of June 30, 1864, limited by the act of March 31, 1868, to ale and patent medicines, amounting to \$5,838 55.

The amount allowed for the same for 1869 was \$377,411 31.

The drawback on rum and alcohol is not considered in this Bureau.

The total receipts for the first six months of 1870 are.. \$84,468,288 57
And for the like period of 1869 were..... 69,184,725 13

Being an increase of 22 per cent., or total increase of.. 15,283,563 44

The total receipts for the last six months of 1870 are.. \$100,767,579 40
And for the like period of 1869 were..... 90,854,619 16

Being an increase of 11 per cent., or total increase of.. 9,912,960 24

A comparative statement is here submitted from which it appears that the total receipts for the fiscal year 1870 are.....

\$185,235,867 97
The total receipts for the fiscal year 1869 were..... 160,039,344 29

Showing a net gain for the present year of..... 25,196,523 68

A general increase of the revenue at the rate of 15 $\frac{7}{16}$ per cent. on the receipts of last year from all articles and sources.

Comparative statement showing the aggregate receipts for the fiscal years ending June 30, 1869, and June 30, 1870; also the increase or decrease, and the increase or decrease per cent.

Sources of revenue.	Increase.	Decrease.	Increase per cent.	Decrease per cent.
Spirits	\$10,555,197 44	.....	23	.....
Tobacco	7,920,000 31	.....	34	.....
Fermented liquors	219,247 36	.....	4	.....
Banks and bankers	1,084,394 61	.....	33	.....
Gross receipts	593,801 17	.....	9	.....
Sales	630,555 94	.....	8	.....
Special taxes not elsewhere enumerated	819,505 50	.....	9	.....
Income, including salaries	2,984,017 78	.....	9	.....
Legacies	427,745 92	.....	34	.....
Successions	229,486 35	.....	19	.....
Articles in Schedule A	24,561 36	.....	3	.....
Passports .....	.....	\$6,697 00	.....	33
Gas	197,411 53	.....	9	.....
Sources not elsewhere enumerated .....	.....	556,573 68	.....	43
Penalties .....	.....	49,184 07	.....	6
Adhesive stamps	123,333 05	.....	4.5 of 1	.....
Total	25,809,278 43	612,754 75	15.7	.....

The steady and regular increase of the revenue for 1870 is more fully shown by the following statement of yearly receipts from the same sources, for the year ending with each month from June 30, 1869, to June 30, 1870, inclusive:

4 Ab

Statement showing the receipts from the several general sources of revenue for the years ending—

Sources of revenue.	June 30, 1862.	July 31, 1863.	Aug. 31, 1863.	Sept. 30, 1863.	Oct. 31, 1863.	Nov. 30, 1863.	Dec. 31, 1863.
Spirits.	\$45,026,401 74	\$46,318,306 37	\$45,682,168 94	\$46,522,840 67	\$47,988,037 18	\$49,101,522 05	\$50,070,629 25
Tobacco.....	27,430,707 57	24,622,020 77	25,810,913 74	27,342,860 98	28,395,867 94	29,525,064 65	30,151,133 87
Distilled liquors.....	6,099,579 54	6,046,994 65	6,054,197 22	6,052,763 30	6,015,199 16	6,019,412 09	6,046,031 98
Banks and bankers.....	3,335,516 52	3,512,870 46	3,606,732 16	3,664,864 36	3,686,134 77	3,747,963 57	3,800,744 83
Gross receipts.....	6,300,998 82	6,366,686 90	6,402,907 00	6,504,021 36	6,527,531 84	6,580,783 92	6,632,402 96
Sales.....	8,206,829 07	8,353,564 98	8,454,275 73	8,503,543 69	8,527,529 64	8,705,793 36	8,762,030 10
Special taxes not elsewhere enumerated.....	8,801,454 67	8,894,357 77	9,016,185 44	9,105,801 58	9,181,729 54	9,301,579 30	9,308,316 19
Income, including salaries.....	34,791,853 04	36,034,554 08	36,523,227 49	36,897,160 77	37,131,434 75	37,345,543 61	37,575,157 63
Legacies.....	1,244,537 01	1,245,364 94	1,276,960 33	1,306,977 25	1,447,500 45	1,437,470 31	1,506,772 83
Successions.....	1,189,736 22	1,180,492 90	1,151,131 22	1,302,355 19	1,322,829 29	1,272,292 24	1,327,250 56
Articles in Schedule A.....	882,869 73	885,927 00	892,490 50	895,015 73	894,833 46	895,385 68	895,550 46
Passports.....	20,453 00	21,346 00	23,391 00	23,371 00	25,114 00	26,559 00	27,734 00
Gas.....	2,116,003 82	2,137,110 70	2,133,885 41	2,165,728 53	2,176,963 57	2,200,161 46	2,216,008 03
Sources not elsewhere enumerated.....	1,284,978 98	836,164 82	686,181 76	580,658 19	552,063 53	527,638 32	445,080 27
Penalties.....	771,849 47	703,491 95	703,491 95	701,496 33	673,166 61	709,053 33	696,492 01
Adhesive stamps.....	16,430,710 01	16,545,332 79	16,643,763 72	16,735,635 49	16,638,784 74	16,772,192 49	16,796,023 57
Total	160,020,344 29	163,837,884 00	165,121,906 67	168,168,114 68	170,461,543 07	173,890,925 78	175,322,907 73
Sources of revenue.	Jan. 31, 1870.	Feb. 28, 1870.	March 31, 1870.	April 30, 1870.	May 31, 1870.	June 30, 1870.	
Spirits.	\$50,730,920 08	\$51,540,415 53	\$53,138,401 07	\$53,005,203 17	\$54,753,077 30	\$55,651,590 18	
Tobacco.....	29,326,064 20	29,886,934 77	30,957,941 09	30,580,423 97	31,157,164 30	31,350,707 88	
Distilled liquors.....	6,001,921 48	6,068,614 59	6,098,814 30	6,140,183 43	6,214,506 57	6,310,136 90	
Banks and bankers.....	3,923,134 11	3,974,493 68	4,104,204 83	4,311,499 58	4,551,413 04	4,410,911 13	
Gross receipts.....	6,692,517 21	6,704,830 29	6,807,466 83	6,808,100 13	6,843,009 95	6,894,799 99	
Sales.....	8,815,940 90	8,777,468 55	8,832,002 50	8,709,847 88	8,802,039 76	8,837,304 97	
Special taxes not elsewhere enumerated.....	37,703,456 10	38,011,584 84	37,864,792 63	38,550,000 50	37,652,827 01	37,683,573 62	
Income, including salaries.....	1,016,752 32	1,014,092 71	1,025,473 44	1,028,005 30	1,053,057 18	1,073,583 93	
Legacies.....	1,347,828 89	1,025,055 44	1,365,473 44	1,375,771 88	1,682,467 17	1,410,943 57	
Successions.....	894,145 68	893,005 62	892,418 73	894,870 39	893,944 79	897,752 00	
Articles in Schedule A.....	25,434 00	25,000 00	25,371 00	25,371 00	25,371 00	25,371 00	
Passports.....	2,846,974 00	2,875,346 81	2,925,846 14	2,934,627 97	2,916,689 22	2,913,417 37	
Gas.....	470,803 31	483,836 81	617,577 10	603,637 75	613,908 01	628,105 30	
Sources not elsewhere enumerated.....	692,563 73	702,369 84	692,637 92	658,643 91	617,093 30	587,094 72	
Penalties.....	16,849,580 13	16,827,814 45	16,677,345 28	16,645,779 11	16,586,422 46	16,544,043 05	
Total	176,810,887 05	178,601,309 15	180,753,830 93	181,613,398 40	183,791,857 06	185,325,967 97	

From the foregoing table it appears that there has been a continuous increase in the receipts from the excise tax from June 30, 1869, to June 30, 1870, aggregating the sum of \$25,196,523 68, and averaging for each month \$2,099,710 30. The term "sources not elsewhere enumerated" embraces, among other things, the residuum of taxes uncollected under previous laws which had been repealed. For the last year this class has been greatly reduced by the more thorough action of collectors.

The exhibitions of the foregoing table, and the deductions therefrom, with the general knowledge which experience in administering the internal revenue laws has furnished, satisfy me that there is no insurmountable difficulty in enforcing our excise laws; and that a proper regard to the qualifications of revenue officers for ability and integrity is what is most essential to secure the prompt and certain collection of internal taxes. The employment of spies and informers, and the policy of paying moieties, if they were ever useful, are, in my opinion, no longer necessary. I think the revenue service would be improved by discontinuing such aids. The officers now termed "detectives" should be continued in the service under the designation of assistant supervisors.

SPIRITS.

The number of distilleries (other than fruit) registered during the last fiscal year is.....	770
Number of fruit distilleries registered.....	2, 120
Total.....	<u>2, 890</u>

The spirit-producing capacity of the registered distilleries for each twenty-four hours, as ascertained by surveys, is as follows:

	Gallons.
From grain.....	759, 377
From molasses.....	24, 903
From fruit.....	126, 271
Total daily spirit-producing capacity.....	<u>910, 551</u>

It will be seen that if the distilleries, other than fruit, were operated to the full extent of their capacity for a period of ten months, throughout the distilling season in each year, they are capable of producing 203,912,800 gallons. This quantity, however, is largely in excess of our consumption, which is estimated at from seventy-five to eighty millions of gallons.

The best information which this office has been able to procure on this subject induces the belief that the whole number of distilleries (other than fruit) is operated for about the period of six months only, and for that period they are not run to the full extent of their producing capacity.

The returns to this office for the last fiscal year show a total production in taxable gallons, from material other than fruit, of.....	71, 337, 099
From fruit.....	938, 254
From fruit, not yet returned, but estimated at.....	150, 000
Total yearly production.....	<u>72, 425, 353</u>

This may not prove to be absolutely correct, but it is believed to approximate the quantity actually produced.

The production of spirits from fruit is likely to be largely increased for the current year, owing to the extensive crop of fruit grown in many parts of the United States, and owing to the further reason that the revised regulations, issued from this office in July last, under section two of the act of July 20, 1868, governing fruit distillation, have relieved the manufacturers from many of the requirements applicable to grain distillation, and which, when applied to fruit, were found so burdensome as almost to prohibit its distillation.

I consider that much credit is due to the local revenue officers of the fruit distilling districts for the energy and judgment they have exercised in carrying out these regulations.

	Gallons.
The quantity of spirits in bond July 1, 1869, was.....	16, 685, 166
The quantity entered in bond for the year ending June 30, 1870, was.....	71, 337, 099
The quantity withdrawn from bond during last period was..	76, 339, 807
The quantity remaining in bond June 30, 1870, was.....	11, 682, 458
The quantity remaining in bond July 1, 1869, as per present report, in excess of the quantity stated in my report for 1869, shown by corrected reports of collectors received subsequent to the publication of the report for 1869.....	21, 328

Judging from the information in possession of this office, there is no reason for believing that there will be any material falling off in the production of spirits during the current fiscal year.

The plan of surveying distilleries on the basis of a forty-eight hour fermenting period, for sweet mash, to which attention was called in my last annual report, has been fully carried out, and its results are highly satisfactory and advantageous to the Government. It has largely increased the per diem and capacity taxes, and has contributed to produce, among this class of distilleries, an equal and uniform basis of taxation, as well as security against illicit distillation. It was at first strenuously opposed by the distillers in some parts of the country, and occasioned considerable litigation in the courts, in all of which the Government has been sustained where decisions have been rendered; and the distillers themselves seem to have generally come to the conclusion that the policy of the Government was just, and that the action of the Department was beneficial, not only in enhancing and collecting the revenue, but in promoting the entire distilling interest of the country.

I desire to say, also, that as a general rule those now engaged in the business of distilling seem to be disposed to obey the law and comply with the orders and regulations of this Bureau. There are exceptions to this general remark, and in some localities a spirit of insubordination and defiance is still manifest, but I do not think there is anything like a systematic or organized opposition to the enforcement of the laws taxing spirits to be found among this class of manufacturers.

SPIRIT METERS.

The "new rules and regulations" for the procurement and use of spirit meters, which I had the honor to transmit to Congress at its last session, have been continued in force, but the time for procuring and attaching the instruments has been extended in order to make perfect tests of the meter in the few instances where it had been attached under such regulations.

I have been desirous, by these tests, to ascertain, with certainty, whether the sample meter, which was all that was preserved by the old

system, is of sufficient utility to justify this office in requiring its procurement and use by distillers; and I have felt unwilling to enforce it until I was fully satisfied, by experimental use, of the propriety and justice of doing so. The few instruments now attached are undergoing the strictest surveillance, but have not been fully reported upon by the officers in charge. As soon as such reports are received and considered, Congress will be informed, through you, of the results, and of the opinion of this office as to the propriety of continuing the use of the Tice spirit meter.

SACCHAROMETERS.

Recognizing the necessity of adopting and prescribing for use a standard saccharometer in pursuance of section two of the act of July 20, 1868, I invited manufacturers of the several varieties to present samples for examination and test. Several instruments were received and referred for experiment to the American Union Academy of Literature, Science, and Art of this city. The result was announced in the report of the Academy, and printed by direction of Congress in Ex. Doc. No. 272, 2d sess. 41st Congress. In order to reach the most satisfactory results, I invited and received other samples, which, together with those previously considered, and the evidence relating thereto, were referred for further examination to a committee of officers connected with this Bureau.

The results of the investigations made are favorable to the selection of a standard saccharometer, and its use by internal revenue officers having direct supervision of distilleries and the business of distillation. The approximation with which the saccharine and alcoholic values of washes, worts, or beer may be determined by its proper use, its importance to the revenue interests of the Government, and the successful operations of the distiller, have been fully demonstrated.

There is, however, no authority of law for procuring this instrument for the use of revenue officers at the expense of the Government; and as such use will be mainly for the benefit of the Government, I have not felt warranted in imposing that expense upon distillers under the authority given me to adopt and prescribe for use such instruments.

I would, therefore, recommend that additional authority by law, be given to the Commissioner of Internal Revenue, to procure at the expense of the Government such saccharometers and gauging instruments as the good of the public service shall require, and that he prescribe rules and regulations concerning their distribution, use, and the manner in which officers in charge of the same shall account therefor.

THE PRESENT LAW AS TO SPIRITS.

The experience of the past year has served to strengthen my previous opinions as to the impolicy of changing the law taxing spirits, and induces me to repeat the recommendation in my last annual report that the rate of tax and the manner of its collection be left as they are now provided for.

The receipts from this source for 1870 are \$55,581,599 18, already within four and a half millions of my estimate, "after the present law shall have been brought into complete execution with such amendments as time and experience may demonstrate to be necessary to perfect the system." Anticipation is almost realized without time; and experience seems to declare it to be unwise and inexpedient to change the law in any essential feature.

TOBACCO.

The receipts from tobacco continue to be highly satisfactory. By reference to the second table, it will be seen that the receipts for the last fiscal year, from this source, are.....		\$31, 350, 707 88
For the preceding year they were.....		23, 430, 707 57
Showing an increase of.....		<u>7, 920, 000 31</u>

This increase of nearly \$8,000,000 has not been spasmodic, but is a regular monthly increase averaging over \$600,000 per month. It is to be observed, also, that the late crop of tobacco was an inferior one, owing to a general drought in many of the tobacco-growing districts.

Notwithstanding this favorable exhibit, I desire to direct attention particularly to some defects in the provisions and operations of the law taxing tobacco.

The present law imposes two rates of tax on all manufactured tobacco, one of 16 cents and the other of 32 cents per pound. It seems to have been the intention to apply the former rate only in exceptional cases, while the general rate was to be double the amount. But in practice it is found that what was to have been but occasional and only exceptional has come to be too nearly the general and prevailing rate on all tobacco manufactured and sold as smoking tobacco, while much that is intended and used for chewing is sold also under the lesser rate.

The law now provides that "on all smoking tobacco, exclusively of stems, or of leaf with all the stems in, and so sold, the leaf not having been previously stripped, butted, or rolled, and from which no part of the stems have been separated, by sifting, stripping, dressing, or in any other manner, either before, during, or after the process of manufacturing, a tax of sixteen cents per pound shall be paid."

Under this provision manufacturers claim that they have a right to manufacture cut or granulated tobacco, the raw or leaf tobacco even having been previously submitted to a process of sweetening, and if the final product contains all or more than all the stems natural to the leaf, that they are entitled to sell it under the 16-cent tax. They allege that they do not know, and are not bound to know for what purpose their goods are bought and used. That the same article may be used, and frequently is used, by the same persons for both smoking and chewing. Long-cut smoking, especially if sweetened, may be used instead of fine-cut for chewing. The cheapest grades of plug tobacco, although taxed at 32 cents per pound, are quite as generally used by the poorer classes of consumers for smoking as the cut or granulated smoking, which is taxed but 16 cents a pound, though a very much higher priced article as sold in the markets. To make the rate of tax depend on the process of manufacture unquestionably opens a wide door for fraud. No one can determine by inspection of the product whether a given sample of cut or granulated smoking tobacco contains all, or more, or less than the natural quantity of stems. It is believed to be impossible by any single machine hitherto in use by manufacturers, by a single process, to reduce ordinary leaf tobacco entirely to even, homogeneous, and similar particles. This can be accomplished only by two or more different machines, or by a succession of operations through the same machine. And these processes enable the manufacturer, from the same material, and at the same time, to make different grades of smoking tobacco, containing more or less stems, at pleasure.

Under the present law great inequalities exist, and necessarily so, for

nearly all smoking tobacco, however fine the grade, or high-priced the article, escapes with only the payment of the 16-cent tax, as being made of leaf with all the stems in. The poorest quality of stem smoking or leaf, cut with all the stems in, pays the same tax as the highest priced smoking tobacco, provided the latter is claimed to have been cut, in the words of the law, "with all the stems in," and at the same time the lowest and poorest grades of plug and twist tobacco pay double the rate of tax of smoking tobacco which sells in the markets of the country at double the price of the plug and twist.

I am satisfied that there is but one remedy for the frauds perpetrated under this head, and that is to make the tax on all descriptions of tobacco *uniform*. Less of inequality would then exist under a tax of 32 cents per pound than under the present rates.

There seems to be no good reason why there should be two different rates of taxation on articles of equal price and value, simply because one is used for smoking and the other for chewing. Why not reverse the rule and place the larger tax upon smoking tobacco and the lesser upon chewing?

With a uniform tax of 32 cents per pound on all manufactured tobacco, the revenue can be collected with much greater facility than at present. Manufacturers would be at liberty to adopt any modes of manipulating the raw material, or any process of manufacturing it they deemed fit, without being questioned by the Government. There would be less inequality in the practical operations of the tax on all classes of consumers, while the receipts of the Treasury would be increased, taking the last fiscal year as the basis, by at least \$4,500,000.

I am satisfied that the honest and larger portion of the tobacco trade are generally in favor of a uniform rate of tax on all descriptions and grades of manufactured tobacco, and while a portion of the trade favor a tax of 16 cents, a large majority are indifferent as to the rate, whether 16 or 32 cents per pound, provided the tax is uniform, is thoroughly collected, and the manufacturer left free to manipulate his product as he pleases.

THE SALE OF LEAF TOBACCO TO CONSUMERS.

The law now imposes a tax of 32 cents per pound "on all tobacco twisted by hand or reduced from leaf into a condition to be consumed or otherwise prepared without the use of any machine or instrument, and without being pressed or sweetened." It is not thought to have been the intention of Congress to impose a tax upon raw or leaf tobacco sold in the condition in which it is ordinarily cured and packed by the farmer or planter for sale, or upon tobacco stemmed and prized for manufacture or exportation. But without believing it to have been the intention to tax the raw or leaf tobacco sold directly to consumers for chewing or smoking, it is very difficult to determine what description or class of tobacco was intended to be reached by a process of preparation involving neither the use of any machine or instrument, nor any process of pressing or sweetening. If it was the intention to tax all tobacco, even the raw leaf, if sold for immediate consumption, I would recommend that the law be made so explicit as to remove all doubts on the subject. But, if under no circumstances a tax is to be assessed upon raw or leaf tobacco, even when sold directly to consumers, then I would recommend that an equivalent for the specific tax on the product be imposed upon the dealer, as a special tax, whenever he sells directly to consumers. There is reason to believe that a large ma-

jority of all the leaf dealers in the country are retailing leaf tobacco for consumption in quantities to suit purchasers, sales being made of one pound or less. The aggregate amount of such sales may not be shown, but they will reach many millions of pounds sold and consumed annually, without producing any revenue to the Government.

Manufacturers who are required to pay not only a special tax for carrying on their business, but a specific tax also on all their products, have reason to complain of this traffic so damaging to their interests as well as to the Government revenue.

EXPORT BONDED WAREHOUSES.

The law authorizes the Commissioner of Internal Revenue to designate and establish, at any port of entry in the United States, bonded warehouses, for the storage of manufactured tobacco and snuff in bond, intended for exportation, while at the same time it authorizes the collector in charge of exports at such ports to issue a permit for the withdrawal of such tobacco and snuff *for consumption*, after the tax has been paid thereon.

Upon taking charge of this office, I found that there had been established by my predecessor, under the act of July 20, 1868, fifteen export bonded warehouses for the storage of tobacco and snuff intended for export, to wit: One at Boston, five at New York, four at Philadelphia, two at Baltimore, one at Richmond, one at New Orleans, and one at San Francisco.

Repeated applications have been made for additional warehouses within the last year and a half, but believing that it was the design of Congress not only to abolish the old system of Class B warehouses for tobacco and snuff, but to limit the facilities for bonding to such goods as were in fact intended for exportation, and also believing that the distinguishing feature of the present law, and that which made it radically different from previous laws on the subject of manufactured tobacco, was the prepayment of the tax by means of stamps before the removal of the goods from the place of manufacture, I have denied these applications, for the reason that the number of bonded warehouses already established greatly exceeds that actually required to accommodate the export trade.

The quantity of tobacco stored in the several export bonded warehouses during the fiscal year ending June 30, 1870,	
was, (pounds).....	19, 612, 529
The quantity withdrawn for exportation was, (pounds)...	8, 268, 097
The quantity withdrawn upon payment of tax was, (pounds)	12, 006, 377

This shows that only about two-fifths of the goods bonded are actually exported, and nearly all of these are exported from New York and Boston.

It is a fact that a large proportion of the goods stored in export bonded warehouses was never intended for exportation, the goods themselves being unsuited for foreign markets. They are shipped by the manufacturer in bond, and being stored, are consigned to wholesale dealers and jobbers, thus securing to the latter the advantage of placing the goods upon the market without the prepayment of the tax, as the law requires in all other cases, before the removal of goods from the manufactory. By shipping these goods in bond the dealers and jobbers receive, on an average, from four to five months' credit, and as this privilege can only be enjoyed by dealers and jobbers in the seaport

towns, where by law these warehouses are authorized to be established, it creates an inequality in the trade, preferring one class of dealers over others, and is the source of much complaint. To remedy this inequality and correct the evils of this system, I would recommend that the law be so amended as to allow no goods entered for export in bonded warehouses to be withdrawn therefrom for consumption, upon payment of tax, until twelve months from the time they were so bonded. By limiting the time for withdrawal, no goods will be entered except such as are *actually* intended for export, and the privilege of withdrawing for consumption, after twelve months, will relieve any parties who, having entered goods for export, fail afterwards to export the same. Should it be deemed inexpedient to limit the time before which permits for the withdrawal of goods on the payment of tax are not to be issued by the collector, then I would suggest that further authority be given to the Commissioner of Internal Revenue to establish bonded warehouses at other places than ports of entry, giving like facilities for bonding, and equal time before payment of taxes, to wholesale dealers and jobbers in manufactured tobacco in other large cities, as are now enjoyed by those doing business in the cities mentioned, where export bonded warehouses are located.

ACT OF JULY 14, 1870.

I deem it my duty to call the attention of Congress, through you, to certain defects, ambiguities, and contradictions, which, in the hurry of legislation incident to the closing labors of a session, appear in the act of July 14, 1870. In some instances, also, where the language is clear, the legal effect is held to be entirely different from what is understood to have been designed by Congress.

It is believed to have been the intention to retain all the taxes imposed upon sales of distilled spirits, wines, and malt liquors, by the act of July 20, 1863, and acts amendatory thereof. Section 2 of the act of July 14, 1870, nevertheless repeals the tax upon sales of *malt liquors*.

It was evidently the purpose of section 5 to empower collectors to remit, at any time prior to August 1, 1872, all penalties for issuing instruments unstamped, unless the omission of stamps was with fraudulent intent; but owing to a change made in the bill as reported by the Senate Finance Committee, the *letter* of the law is such as to postpone until August 1871, the relief which was designed to be immediate.

Section 17 provides that sections 120, 121, and 122 of the act of June 30, 1864, as amended, shall be construed to impose the taxes therein mentioned to August 1, 1870, and no longer.

Section 15 provides "that there shall be levied and collected for and during the year 1871, a tax of two and a half per centum on the amount of all interest or coupons paid, or bonds or other evidences of debt issued and payable in one or more years after date by any of the corporations in this section hereinafter mentioned, and the amount of all dividends of earnings, income, or gains hereinafter declared, by any bank, trust company, savings institution, insurance company, railroad company, canal company, turnpike company, canal navigation company, and slack-water company, whenever and wherever the same shall be payable, and to whatsoever person the same may be due, including non-residents, whether citizens or aliens."

It is believed to have been the intention to continue the five per cent. tax until August 1, 1870, and to substitute a tax of two and a half per cent. therefor on and after that date. But, owing to the peculiar language of the statute, no tax can be withheld from coupons falling due

during the last five calendar months of 1870. According to a recent decision of the circuit court in the State of Pennsylvania, in the case of the Philadelphia and Reading Railroad Company *vs.* Barnes, collector, no tax can be withheld from dividends, coupons, or interest, payable during the first seven months of 1870; and it is further maintained that corporations cannot be required to pay any taxes upon the dividends payable during the remaining five months. The right to withhold a tax from the salaries of persons in the civil, military, or naval service of the United States during the first seven months of 1870, turns also upon the points involved in the case above named.

The amount of tax indirectly involved in this question is very little less than six millions of dollars. It is of such importance that I have not felt at liberty to acquiesce in the decision of the circuit court until it shall have been affirmed by the court of last resort. Steps have been taken, therefore, to have the opinion of the Supreme Court of the United States pronounced upon the questions in issue. Herein I deem it proper to state that as early as January 4, 1870, I called the attention of Congress, through its appropriate committee, to the ambiguities of the law then in force, and the difficulties likely to arise in the collection of these taxes, and asked for legislation upon the subject.

This request, as appears from the records of this office, was repeated February 8, April 7 and 25, and May 26, following, and was repeated orally and in person at several other times. The legislation was finally enacted July 14, but has been declared by the circuit court of Pennsylvania to have been too late to serve the purpose desired.

It is provided in section 15, that "when any dividend is made or interest is paid, which includes any part of the surplus or contingent fund of any corporation which has been assessed and the tax paid thereon, or which includes any part of the dividends, interest, or coupons received from other corporations whose officers are authorized by law to withhold a per centum on the same, the *amount of tax* so paid on that portion of the surplus or contingent fund, and the *amount of tax* which has been withheld and paid on dividends, interest, or coupons so received, may be deducted from the tax on such dividend or interest."

Owing to a change in the rate of taxation from five per cent. to two and one-half per cent., taxes properly paid upon surplus prior to August 1 may now be again appropriated to the payment of taxes upon earnings since that date. For example: A dividend of \$25,641 03 is declared on or after August 1, 1870. Included in this dividend, however, and constituting a part of it, are \$15,641 03, taken from a fund from which prior to August 1 there was paid, as then required by law, a tax of five per cent. A tax of two and one-half per cent. upon the entire dividend is \$641 03; the tax of five per cent. paid upon the surplus is \$782 05. The law allows the tax paid upon the surplus to be deducted from the tax assessed upon the dividend. In the example, the former exceeds the latter, and consequently earnings since August 1, to the amount of \$10,000 escape taxation entirely. It would have resulted differently if the law had provided for a deduction of *taxed surplus* from dividends instead of a deduction of *tax* from *tax*.

Public resolution No. 75, approved July 13, 1870, relieved insurance companies from certain taxes, but an act passed the next day restored them in language so plain as, in my judgment, to operate as a repeal of the resolution.

The repeal of the tax upon receipts for money includes, practically, a repeal of the tax upon demand and sight drafts, bank checks, &c. A

person who has money on deposit, instead of drawing by check receives the money and gives his receipt, which is retained by the bank as a voucher. This practice is increasing, and seems likely to become general. While it is an evasion of taxes it is one for which the present law provides no remedy.

The repeal of the special tax upon apothecaries takes effect May 1, 1871. After that time they must either abandon the dispensing and sale of wines and spirits official upon physicians' prescriptions or otherwise, or pay special taxes as liquor dealers, unless there shall be additional legislation on the subject. So far as they are concerned the act of July 14, 1870, increases the taxes.

The defects mentioned are but a part of those already discovered, and are probably but a small part of those which will eventually be found to exist. Some of them this office has attempted to reconcile and avoid by construction. How far this construction will be sanctioned by the courts remains to be seen.

EXEMPTION FROM STAMP TAXES UNDER SCHEDULE C.

The act of July 14, 1870, exempted from taxation under Schedule C canned and preserved fish, leaving prepared mustard, sauces, sirups, jams and jellies still liable to the stamp tax. These articles being either condiments or preserves, and generally of home or culinary production, never having been a fruitful source of revenue, and the collection of the tax thereon always attended with no inconsiderable amount of trouble and vexation, I would recommend that they hereafter be relieved from the stamp tax now imposed upon them under the clause in Schedule C, relating to "canned meats," &c.

REMISSION OF TAXES ASSESSED ON SHIP-BUILDERS.

By my direction the collection of taxes on ship-builders, assessed under the 4th section of the act of March 31, 1868, was ordered to be suspended.

I would recommend, through you, that Congress provide by joint resolution or otherwise, for the remission of all such taxes assessed but not collected on the sales of ship-builders.

UNITED STATES DIRECT TAX.

By act of Congress approved August 5, 1861, a direct tax of \$20,000,000 per annum was apportioned to all of the then existing States and Territories, and the District of Columbia.

This act provided that each State, Territory, and the District of Columbia might pay its own quota, if notice of the intention thereof should be properly given on or before the second Tuesday of February next thereafter. Under this provision of law all the States, Territories, and the District of Columbia formally assumed the payment of the tax, except Delaware, the Territory of Colorado, and the eleven insurrectionary States. Provisions were made for the collections to be made in Delaware and Colorado by internal revenue officers, and in the eleven insurrectionary States by the appointment of United States direct-tax commissioners, under an act of Congress approved June 7, 1862. By act of Congress approved July 1, 1862, the operations of the act of August 5, 1861, were suspended until April 1, 1865, except so far as related to the collection of the first annual tax of \$20,000,000, and by act of

June 30, 1864, it was further suspended until additional legislation by Congress was had.

The following States and Territories appear to have satisfied their quotas in full: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Maryland, West Virginia, Ohio, Kentucky, Indiana, Illinois, Missouri, Michigan, Iowa, Minnesota, Nevada, Nebraska, New Mexico, Dakota, and the District of Columbia.

Against New York, Wisconsin, Kansas, California, Delaware, Colorado, and Washington Territories there are balances unsatisfied amounting to about \$1,312,000. Oregon and Utah have paid no part of their quotas.

I herewith submit a table showing the respective quotas, and the approximate amount of taxes uncollected in the late insurrectionary States.

States.	Quota.	Uncollected.
Virginia	\$937,550½	\$260,336 70
North Carolina	576,194½	173,144 01
South Carolina	363,570½	140,479 70
Georgia	524,367½	502,167 33
Florida	77,522½	71,037 24
Alabama	529,313½	529,313 33½
Mississippi	413,024½	343,137 61
Louisiana	383,886½	75,022 28
Texas	355,016½	197,053 79
Arkansas	261,826	103,923 74
Tennessee	689,498	326,654 54
Total	5,153,891.33½	2,061,722 62½

United States direct-tax commissioners were appointed in each of said States, who entered upon their duties and completed the assessment rolls in several of the States, and collected a portion of the taxes in each of the insurrectionary States except Alabama, in which no part of her quota was ever collected.

In Virginia, South Carolina, Florida, Arkansas, and Tennessee, lands were sold for the non-payment of taxes charged against them.

Lands were bid in at the tax sales by the tax commissioners, and never having been redeemed are still owned by the United States, as follows:

In Virginia, lands valued, according to the assessment of 1860, at	\$75,000
In South Carolina, lands valued by the commissioners at....	300,000
In Florida, lands valued by the commissioners at	25,000
In Tennessee, lands valued by the commissioners at	309,000
Making a total approximate valuation of	<u>709,000</u>

None of these lands are now yielding any revenue to the Government except in South Carolina, and a few tracts in Florida. Steps are being taken, however, toward placing a record of these lands in a condition whereby the Government may control and obtain more revenue from them.

During the several years in which no control was exercised by the United States over its direct-tax lands, except in South Carolina, parties took possession, assumed ownership and conveyed formal titles to many of them. Alleged innocent purchasers are now ordered to surrender possession of them to officers designated to take charge of and

collect rents for the use of them. In many cases the alleged innocent purchasers have made extensive improvements on the lands, and made them their homes.

The sales of lands for non-payment of the direct taxes in the said eleven States were suspended by order of the Secretary of the Treasury, in May 1865. The collection of the tax in said States was suspended in August 1866, and by several acts of Congress suspended until January 1, 1869; since which no action has been had by Congress, or by the Executive authority, nor have the conditions been resumed in any of the said eleven States.

The several boards of United States direct-tax commissioners were dissolved on or before the 30th of April, 1867, except in South Carolina. This board has been continued in consequence of additional duties imposed on the commissioners for that State, in connection with the disposal of the direct-tax lands in pursuance of several acts of Congress, and the instructions of the President dated September 16, 1863. That board has been discontinued from October 31, 1870.

There is now due to the United States, on account of deferred payments in South Carolina, \$150,000, and the time for its payment has expired. The duties which remain to be performed there are managing the direct-tax lands, by leasing and selling the same where there is authority to sell, collecting "special" and "school-farm" rents, collecting deferred payments, and applying the funds arising from the different sources according to law.

It appears that a considerable amount of money was collected illegally by the direct-tax commissioners, but Congress, by an act approved February 25, 1867, provided for refunding such illegal collections by the Secretary of the Treasury. A large number of claims have been presented to this office of this character.

It may be deemed important that Congress should make provision for the final disposition of all the lands which have been acquired and are now owned by the United States, under the direct-tax laws, at an early day. And also, that in the adjustment of the uncollected portion of the direct taxes in the late insurrectionary States, a different system from that provided in the act of June 7, 1862, should be devised.

ABSTRACT OF CASES COMPROMISED.

For the fiscal year ending June 30, 1870, there were 472 cases compromised and settled by the authority of law.

In these settlements, the amount of tax received is'.....	\$653,666 51
The assessed penalty	39,444 52
The specific penalty	233,163 22
Total amount received by compromise	<u>926,274 25</u>

ABSTRACT OF REPORTS OF DISTRICT ATTORNEYS.

Number of proceedings <i>in rem</i> for the fiscal year 1870	1,293
Number of indictments	3,552
Number of other suits <i>in personam</i>	1,898

Whole number commenced	<u>6,743</u>
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Number of judgments recovered in proceedings <i>in rem</i>	788
Number of convictions on indictments	1,152

Number of acquittals.....	263
Number of suits settled or dismissed	1,810
Number of suits decided against the United States.....	241
Number of suits decided in favor of the United States	2,555
Number of suits pending July 1, 1870.....	4,131

Amount of judgments recovered by United States in suits <i>in personam</i>	\$1,296,254 32
Amount collected and paid into court in suits <i>in personam</i>	441,973 05
Amount collected and paid into court as proceeds of forfeiture	325,521 49

ABSTRACT OF SEIZURES.

The seizures by internal revenue officers of property for frauds practiced in the violation of law, and the evasion of tax, for the year ending 30th June, 1870, were as follows :

762,081.48 gallons distilled spirits, valued at.....	\$1,038,840 54
10,310.50 barrels fermented liquors, valued at.....	69,647 28
34,142.50 pounds snuff, valued at	5,062 21
1,710,619.11 pounds tobacco, valued at.....	284,071 13
4,010,805 cigars, valued at	110,236 46
Miscellaneous property, valued at	1,888,414 18

Total value of seizures.....	3,396,871 80
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On the subject of the seizure and disposition of property for the violation of the revenue laws, I would suggest that section 63 of the act of July 13, 1866, be so amended as to make its provisions applicable to property forfeited under any of the internal revenue laws. The limit in value of the property seized should be extended from \$300 to \$500, and the expenses of seizure and custody should be provided for as well as those of appraisement and sale.

As the law now stands the section is nearly useless. It is the common testimony of officers that the effect of this summary disposition of small quantities of forfeited property is beneficial in promoting compliance with the law; and, indeed, that it is the only effective mode of dealing with such small values to sell in this way. In the courts the whole value would be absorbed in costs.

From the following statement it will appear that for the last four years nearly \$90,000 worth of property has been sold in small lots, at an average expense of 32 per cent. of the gross proceeds.

Had this amount of property been forfeited in court, the avails to the United States would have been much less, if anything.

Amounts realized from sales under section 63, act of July 13, 1866.

Year ending—	Gross proceeds.	Expenses.	Amount deposited.	Per cent. of expenses.
June 30, 1867.....	\$15,568 93	\$3,966 47	\$11,568 46	.25
June 30, 1868.....	42,771 15½	13,254 68	29,518 33½	.30
June 30, 1869.....	21,941 34½	6,961 64½	14,979 50	.31
June 30, 1870.....	9,120 80	4,580 38	4,540 42	.50
Total.....	88,402 33½	26,781 51½	60,620 71½	32

I would further suggest such an amendment of section 3, act of March 2, 1867, as shall require the clerks of the several United States courts to report to this Bureau in cases arising under internal revenue laws, as they are now required to do in all cases to the Solicitor of the Treasury; and also a further provision subjecting clerks, as district attorneys and United States marshals now are, to the proper rules and regulations established in pursuance of law by the Commissioner of Internal Revenue.

Estimate of the annual receipts in each State and Territory from internal taxation after the act of July 14, 1870, shall be in full force.

State and Territory.		Amount.	State and Territory.		Amount.
1	New York.....	\$20,863,000	25	New Hampshire.....	\$232,000
2	Ohio.....	16,062,000	26	Minnesota.....	228,000
3	Illinois.....	15,263,000	27	Alabama.....	220,800
4	Pennsylvania.....	9,809,000	28	District of Columbia.....	218,000
5	Kentucky.....	8,769,000	29	Texas.....	174,000
6	Virginia.....	4,969,000	30	South Carolina.....	149,000
7	Missouri.....	4,482,000	31	Kansas.....	155,000
8	Massachusetts.....	4,444,000	32	Oregon.....	139,000
9	Indiana.....	4,067,000	33	Mississippi.....	122,000
10	Maryland.....	3,757,000	34	Arkansas.....	115,000
11	California.....	3,037,000	35	Nebraska.....	86,000
12	New Jersey.....	2,921,000	36	Vermont.....	86,000
13	Michigan.....	2,010,000	37	Nevada.....	85,000
14	Louisiana.....	1,902,000	38	Florida.....	70,000
15	Wisconsin.....	1,671,000	39	Montana.....	53,000
16	North Carolina.....	1,198,000	40	Washington.....	41,800
17	Connecticut.....	1,028,000	41	Colorado.....	35,000
18	Tennessee.....	837,000	42	Idaho.....	33,000
19	Iowa.....	806,000	43	New Mexico.....	28,000
20	West Virginia.....	539,000	44	Utah.....	21,000
21	Georgia.....	554,000	45	Wyoming.....	16,000
22	Rhode Island.....	462,000	46	Arizona.....	8,000
23	Delaware.....	314,000	47	Dakota.....	4,000
24	Maine.....	261,000			
				Total.....	111,418,000

The foregoing table exhibits the amount which it is estimated will be annually realized from all sources of internal revenue, except stamps, after the law of July 14, 1870, shall have gone into full operation. The total amount is \$111,418,000. Estimating additional receipts from stamps at \$15,000,000, there will be a total of \$126,418,000. The table is arranged according to the revenue value of the States respectively. The total of this estimate may be increased yearly in proportion to the increase of population, business, and wealth, but probably not to exceed 5 per cent. On the basis of this estimate the States of New York, Ohio, Illinois, Pennsylvania, and Kentucky, being the largest producers and manufacturers of tobacco and whisky, will contribute \$70,706,000, or 63 per cent. of the entire receipts, exclusive of stamps.

Comparative statement showing the receipts from the several general sources of revenue from September 1, 1867, to February 28, 1869, and from March 1, 1869, to August 31, 1870; also the aggregate increase, and the increase or decrease from each source.

Sources of revenue.	Receipts.		Increase.	Decrease.
	From Sept. 1, 1867, to Feb. 28, 1869—18 months.	From March 1, 1869, to Aug. 31, 1870—18 months.		
Spirits.....	\$41, 678, 684 34	\$82, 417, 419 85	\$40, 738, 735 51	
Tobacco.....	29, 327, 575 20	46, 504, 065 64	17, 176, 490 44	
Fermented liquors.....	8, 549, 416 83	10, 054, 036 41	1, 504, 619 58	
Gross receipts.....	9, 455, 570 20	10, 078, 219 21	622, 649 01	
Sales.....	0, 630, 062 05	12, 866, 660 80	3, 235, 697 85	
Income, including salaries.....	41, 980, 250 00	68, 074, 778 33	26, 094, 519 32	
Banks and bankers.....	4, 320, 319 10	6, 973, 819 89	2, 653, 500 79	
Special taxes.....	10, 094, 425 26	17, 185, 168 42	6, 190, 743 16	
Legacies.....	2, 094, 367 89	2, 437, 842 70	343, 474 81	
Successions.....	1, 832, 607 03	2, 161, 023 50	330, 415 57	
Articles in Schedule A.....	1, 031, 562 68	1, 714, 086 74	683, 404 06	
Passports.....	31, 634 00	37, 135 00	5, 501 00	
Gas.....	3, 010, 933 57	3, 437, 045 50	426, 111 93	
Articles now exempt from tax.....	53, 235, 310 03	1, 019, 293 99		\$52, 216, 016 04
Penalties.....	1, 663, 774 88	1, 232, 934 41		430, 840 47
Adhesive stamps.....	22, 983, 342 06	25, 296, 396 63	2, 313, 054 57	
Total from all sources.....	241, 820, 765 92	291, 492, 827 01	102, 318, 917 60	52, 646, 656 51

From this statement it will be seen that the gross receipts from all sources of internal revenue for the first eighteen months of the present administration, compared with those of the last eighteen months of the late administration, are increased to the amount of \$49,672,061 09; and taking the same sources of revenue the excess during the same period of comparison, in favor of the present administration, amounts to the sum of \$101,888,077 13.

The plan of organization of this Bureau detailed in my former report has been successfully carried out for the past year. It has improved the service, systemized the public business, and lightened the labors of its officers and employes.

In relinquishing this office, I have the satisfaction of knowing that its affairs are left in a most excellent condition.

Respectfully, your obedient servant,

C. DELANO,
Commissioner.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE COMPTROLLER OF THE CURRENCY.

OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, November 7, 1870.

SIR: In compliance with the provisions of section 61 of the national currency act, I have the honor to present, through you, to the Congress of the United States the following report:

Since my last annual report thirty-seven national banks have been organized, making the total number organized up to date, seventeen hundred and thirty-one. Of this number, five banks, to wit:

The First National Bank of Utah, at Salt Lake City;
The First National Bank of Leon, Iowa;

The First National Bank of Port Henry, New York ;
 The Howard National Bank of Burlington, Vermont ;
 The Baxter National Bank of Rutland, Vermont ;
 were organized by the surrender of circulating notes for that purpose by existing national banks, and did not increase the aggregate of bank circulation.

Thirty-one banks have been organized under the act approved July 12, 1870, providing for the issue of fifty-four millions of additional national bank circulation.

THE NAMES OF THE NEW BANKS ARE AS FOLLOWS :

	Capital.
The National Bank of Springfield, Missouri.....	\$100,000
The National Bank of Maysville, Kentucky.....	300,000
The Merchants and Planters' National Bank of Augusta, Ga..	100,000
The People's National Bank of Norfolk, Virginia.....	100,000
The Farmers' National Bank of Stanford, Kentucky.....	100,000
The Monmouth National Bank, Illinois.....	100,000
The First National Bank of Gallatin, Tennessee.....	51,000
The Second National Bank of Lebanon, Tennessee.....	50,000
The Corn Exchange National Bank of Chicago, Illinois.....	250,000
The First National Bank of Brodhead, Wisconsin.....	50,000
The First National Bank of Shelbyville, Missouri.....	100,000
The Mouiteau National Bank of California, Missouri.....	50,000
The First National Bank of Columbia, Tennessee.....	100,000
The National Bank of Menasha, Wisconsin.....	50,000
The Salem National Bank, Illinois.....	50,000
The Citizens' National Bank of Alexandria, Virginia.....	125,000
The First National Bank of Sterling, Illinois.....	100,000
The First National Bank of Ottawa, Kansas.....	50,000
The Jacksonville National Bank, Illinois.....	200,000
The Fayette National Bank of Lexington, Kentucky.....	200,000
The First National Bank of Watseka, Illinois.....	50,000
The First National Bank of Decatur, Michigan.....	75,000
The First National Bank of Tuscola, Illinois.....	113,000
The First National Bank of Chariton, Iowa.....	50,000
The First National Bank of Schoolcraft, Michigan.....	50,000
The Iowa National Bank of Ottumwa, Iowa.....	100,000
The National Bank of Pulaski, Tennessee.....	100,000
The First National Bank of Richmond, Kentucky.....	250,000
The First National Bank of Evansville, Wisconsin.....	50,000
The Muskegon National Bank, Michigan.....	100,000
The First National Bank of Lapeer, Michigan.....	75,000

The aggregate capital of the banks named is \$3,239,000, giving an average to each bank of about \$104,500, and distributed among the several States as follows :

	Capital.
Illinois, 7 banks.....	\$863, 000
Michigan, 4 banks.....	300, 000
Wisconsin, 3 banks.....	150, 000
Iowa, 2 banks.....	150, 000
Missouri, 3 banks.....	250, 000
Kansas, 1 bank.....	50, 000
Kentucky, 4 banks.....	850, 000

	Capital.
Tennessee, 4 banks	\$301, 000
Virginia, 2 banks	225, 000
Georgia, 1 bank	100, 000

There are on file applications for banks in addition to those enumerated—

	Estimated capital.
From Alabama, 14 applications	\$2, 000, 000
From Arkansas, 7 applications	550, 000
From Colorado, 2 applications	200, 000
From Dakota, 1 application	100, 000
From Florida, 4 applications	400, 000
From Georgia, 7 applications	1, 500, 000
From Illinois, 23 applications	2, 500, 000
From Iowa, 21 applications	1, 300, 000
From Indiana, 13 applications	1, 600, 000
From Kansas, 13 applications	900, 000
From Kentucky, 20 applications	3, 000, 000
From Louisiana, 10 applications	2, 500, 000
From Missouri, 17 applications	1, 500, 000
From Mississippi, 2 applications	150, 000
From Minnesota, 7 applications	500, 000
From Michigan, 18 applications	1, 500, 000
From Montana, 2 applications	150, 000
From North Carolina, 3 applications	500, 000
From Nebraska, 3 applications	150, 000
From Nevada, 1 application	300, 000
From New Mexico, 1 application	150, 000
From Ohio, 13 applications	1, 200, 000
From South Carolina, 2 applications	350, 000
From Tennessee, 9 applications	1, 000, 000
From Texas, 4 applications	400, 000
From Utah, 1 application	50, 000
From Virginia, 7 applications	800, 000
From West Virginia, 5 applications	300, 000
From Wyoming, 1 application	50, 000
From Wisconsin, 19 applications	1, 400, 000

The number of these applications is two hundred and fifty, and the amount of capital required to supply them all would be \$27,000,000. Experience has shown, however, that a large number of applications are placed on file as *caveats*, to occupy the ground and to deter other parties from moving. Very many are speculative, and some, intended to be *bona fide*, fail, because, when brought to the test, the capital is wanting. Probably, if all these applications should be granted, not more than half of them would be carried through to a complete organization. The amount of capital in the Western and Southern States, not permanently invested or actively employed in business of various kinds, but immediately available for the purpose of organizing national banks, cannot be very large, and the impression that many millions of cash capital were awaiting the opportunity of investment in national banking institutions has not been fully sustained. The provision made by the late act is undoubtedly ample for the supply of those States which have less than their proportion, and would probably suffice to supply all reasonable demands even if not restricted in its distribution.

The propriety of providing for the removal of such restrictions after the expiration of one year from the date of the passage of the act is respectfully suggested.

Under the provisions of sections 3, 4, and 5 of the act approved July 12, 1870, authorizing the establishment of national banks for the issue of circulating notes redeemable in specie, but one bank has yet been established, the Kidder National Gold Bank, of Boston, Massachusetts, with a capital of \$300,000. Information has been received that several other institutions of this character are in process of organization, or in contemplation, two or three of which are in California. It was not anticipated that specie-paying banks would be established to any considerable extent, at present, in those sections of the country where a paper currency, based upon the legal tender issues of the Government, already prevails; although it was, and is still, supposed that one or more gold banks might be established and successfully conducted in each of those cities on the Atlantic seaboard where a considerable foreign trade is carried on, and in which a certain amount of business is necessarily transacted upon a specie basis. If all the business of this kind that is carried on in the cities of Boston, New York, Philadelphia, and Baltimore could be concentrated in one or two banking institutions in each of those cities, its extent would undoubtedly warrant the employment of a very respectable amount for its exclusive accommodation.

Under the operation of the act of Congress approved July 14, 1870, "to require national banks going into liquidation to retire their circulating notes," twenty banks, which had been nominally in liquidation for various periods of time, have deposited in the treasury of the United States legal-tender notes for the redemption of their outstanding circulation, and taken up the bonds pledged as security therefor. The amount of such deposits since the date of my last report is \$2,401,910, and the amount of bonds, at their par value, thereby released is \$2,756,000. All banks in liquidation except those in process of consolidation with other banks have now retired their circulation.

Carefully prepared tables will be found in the appendix, as follows:

1st. Statement of amount and different kinds of bonds held to secure circulation.

2d. Banks in the hands of receivers.

3d. The number and amount of each denomination of bank notes issued, redeemed, and outstanding.

4th. The number of banks, amount of capital, bonds, and circulation in each State and Territory.

5th. National banks in liquidation which have deposited lawful money to redeem their circulation, and taken up their bonds.

6th. National banks in liquidation for the purpose of consolidating with other banks.

7th. List of expenditures for the fiscal year ending June 30, 1870.

8th. List of clerks employed.

9th. Reserve tables.

Since the organization of this Bureau to the 1st day of October, ultimo, circulating notes more or less worn and mutilated have been returned by the banks, to be destroyed by burning, to the amount of \$30,597,518. Of this sum, \$17,048,119, or more than one-half the total amount, were returned during the last year. The rapidity with which the national bank notes are becoming unfit for circulation, and are being returned for destruction in order that they may be replaced by new notes, is constantly

increasing, requiring a constantly increasing force of clerks to attend properly and promptly to the assorting, counting, registration and final burning of the notes.

In the effort to protect the public from the impositions of counterfeiters, which is being made by the proper authorities, it would be well to throw every possible difficulty in the way of the circulation of counterfeit notes. For this purpose it is recommended that every national bank be required through its officers to stamp the word "counterfeit" upon every false, forged, or counterfeit national bank note that may be recognized as such on presentation at the counter of the bank.

When the capital of a bank becomes seriously impaired by losses or otherwise, it would be desirable for the Comptroller of the Currency to be clothed with sufficient power to require the bank to be wound up, or to have its capital made good, within a reasonable time. As the law stands, he can only prohibit the bank from declaring any dividends so long as the capital of the bank remains impaired, but the resources of a bank may be crippled and its usefulness destroyed beyond hope of repair, and yet it may continue to live a sickly existence for years. In such cases, the bank should be required to make up the losses by an assessment on its stockholders, or to go into liquidation and be closed.

The operations of the national banks throughout the country during the last year have been characterized by prudence and exemption from disaster to an unusual extent. The profits have not been so large as in former years, owing to various causes, among which may be noted the decline in the premium on gold, a reduction in the amount of transactions in government bonds and consequent falling off in commissions, and the fact that, owing to the general shrinkage in values which has taken place, the banks generally have realized their losses, and have charged off the bulk of their bad debts. The result, however, may be regarded as, upon the whole, satisfactory. Very thorough and rigid investigation has been made by skilled accountants, commissioned as examiners, into the mode of doing business, character of the management, and the value and condition of the assets of the banks during the year, and it has been ascertained that the bills and notes discounted are, to a remarkable extent, based upon *bona fide* transactions, while the accommodation loans are uniformly safe and well secured. The reserves required by law to be held, to secure the payment of circulation and deposits, are, as a rule, kept on hand, and the general average of such reserves is ordinarily considerably above the amount required.

The limitation of loans to one-tenth of the paid in capital, a most wholesome restriction, is, in a large majority of the banks, carefully observed, and the loans are almost uniformly well distributed. In very few instances are the directors allowed to monopolize to any considerable extent the facilities offered.

Complaint is made from time to time, and from various localities, that borrowers are compelled to pay more than the legal rate of interest for money, and doubtless the complaint is well founded. On this subject there is a practical suggestion or two that may be profitably considered. If the interest on the bonds deposited to secure circulation, and the use of the circulation and deposits, at the legal rate of interest, will not enable banks to pay taxes, expenses, and dividends equal to at least the current value of money where the bank is doing business, the legal rate will be transcended, or the bank will wind up. This may safely be

taken for granted. An attempt to compel the institution to keep within the limits, under such adverse circumstances, will result in forcing it into liquidation. In nine cases out of ten where these complaints are made, the evil complained of is caused by the high rate of taxation imposed by State authority. Taxes enter into the cost of production, and are paid by the consumer; this is just as true of money as of any other commodity. Formerly, when the bank circulation was issued and the business of the country was transacted by institutions incorporated by State legislatures, valuable immunities in the way of exemption from taxation were granted, *in order that* the banks might be able to furnish money to borrowers at reasonable rates, and in most of the States the legal rate of interest was fixed with direct reference to the privileges granted. Capital invested in banks was practically exempted from taxation, in return for which immunity the banks were expected and required to lend money at certain specified rates of interest, while very frequently individuals were allowed by law to lend money by special contract, at much higher rates. The rates established for banks, under the conditions referred to, still continue, and are sought to be enforced, but the immunities which enabled them to observe these rates have been taken away. The privilege of issuing circulating notes is no more valuable as a franchise, under federal authority, than it always has been under State authority. The profits derived from it are commonly over-estimated. A fair estimate of the average percentage of profit on circulation will not much exceed five per cent., and this is just about the average rate of taxation paid by national banks; so that the profits derived from the business of banking depend mainly upon the amount of deposits, which after all constitute the true basis of banking. Circulation—that is, money or its representative, is the creature of the Government, and is to be relied on as a source of profit only in the rudimentary stages of banking. The history of banking in the older and wealthier countries of the world furnishes abundant evidence as to the truth of this statement.

The reports of 81 joint stock banks of Great Britain* of their operations during a part of the year 1869, illustrate the fact stated. Leaving out the Bank of England, which furnishes the great bulk of the circulation used in the United Kingdom, the banks reported employ an aggregate capital exceeding £42,000,000, and their net profits for six months of the year 1869 were somewhat in excess of £3,700,000, or at the rate of about nine per cent. per annum. Reports of 62 banks for the six months succeeding the period embraced in the foregoing statement,† show a capital of over £30,000,000, with dividends averaging five and three-quarters per cent., and net profits not divided equal to one per cent.; together, making the net profits of the 62 banks, whose reports are published, at the rate of thirteen and a half per cent. per annum.

In the United States the accumulation of cash capital is comparatively small. As in all new countries, nearly the entire capital is required for the transaction of active business and for the development of the resources of the country. The amount of deposits, therefore, or money at rest, is small in comparison with the actual material wealth of the country; but it is continually on the increase, and by its aid the national banks are enabled to bring their earnings up to an average that has hitherto proved satisfactory to their stockholders. In view of all the facts, however, it seems desirable that the old relation between

* Economist, May 31, 1870.

† Economist, Oct. 15, 1870.

the rate of interest and the rate of taxation, established and observed by nearly all the States in which banks of issue were authorized, should not be entirely ignored with regard to national banks, and inasmuch as the power of the States over the national banks, in these two important particulars, is exercised only with the consent of the General Government, it would be a wise precaution for Congress to fix such limitations as would prevent unwise, unfriendly, or otherwise damaging legislation.

Allusion has been made in former reports to the custom of paying interest on deposits by national banks. The practice existed long before any national banks had an existence, and they only continue to do what their predecessors did before them, and what bankers everywhere consider themselves compelled to do.

The use of other people's money in the shape of deposits, without interest, or at a low rate of interest, has come to be considered a cardinal necessity of modern banking. There will always be those ready to accept its custody, assume all the risks, and pay interest for its use, for a margin of profit ranging from one to three per cent. It is not always the strongest or wealthiest bank or banker who is willing to pay the highest rate for this use of other people's money. Ordinarily, judging of banks as of individuals, the one most in need of money offers the greatest inducements to depositors. In theory the custom is dangerous; in practice it is not always safe, but, nevertheless, it is so thoroughly entrenched in its position by long observance, that any sweeping enactment prohibiting the payment of interest on deposits by national banks would be evaded in some way, or the banks would lose their deposits. There are scores of banks and bankers, not subject to the control of Congress, who would rejoice over such a prohibition as over the discomfiture of an enemy; yet there is one point that should be guarded. The reserves of the whole country are held to a large extent in Boston, New York, Philadelphia, and other large cities. These reserves should be protected. They should be placed under such restrictions as would obviate all necessity for their use by the depository bank. If the institutions owning these reserves cannot afford to allow them to remain unemployed, so that they may be in reality what they are in name, relief should be afforded in some other way. It is of vital importance to the country that no portion of the percentage, which the law requires banks to hold as a reserve on circulation and deposits, should be loaned out, subject to the vicissitudes and fluctuations of men and property. There may be prosperous and easy times for years; but there may come a day when upon the ability of a single bank in New York City to pay the deposits of its country bank correspondents—their reserves—will depend the safety of the whole country. The banks of New York City have paid as interest on deposits, during the year ending with the 30th of September, the sum of \$2,546,639 10; the Boston banks, \$588,272 58; the Philadelphia banks, \$119,001 47; while the aggregate sum paid by all the banks that allow interest on deposits is \$6,486,172 66.* These large sums indicate the wide prevalence of the practice under consideration, and the difficulty that would

* 1,064 banks pay interest on deposits and have reported the amount.

540 banks pay no interest on deposits.

6 banks pay interest, but cannot report the amount.

1,610 total number in active operation when report was called for.

Treasury, (Customs).....	3,588
Treasury, (Internal Revenue).....	6,490
War, pay, warrants.....	4,405
War, repay, warrants.....	1,507
Navy, pay, warrants.....	1,923
Navy, repay, warrants.....	471
Interior, pay, warrants.....	1,462
Interior, repay, warrants.....	167
War, civil.....	55
Treasury appropriation.....	14
Treasury, (Interior appropriation).....	20
Interior.....	51
War.....	14
Navy.....	11
Treasury, (Customs).....	11
Internal Revenue, (covering).....	3,296
Customs, (covering).....	1,574
Land, (covering).....	591
Miscellaneous, (covering).....	3,783
Repay, (covering).....	95
Total	38,003

The following accounts, which have been transmitted to this office by the First and Fifth Auditors of the Treasury, the Commissioner of Internal Revenue, and the Commissioner of the General Land Office, have been revised, and the balances found due thereon certified to the Register of the Treasury:

<i>Judiciary</i> , embracing the accounts of the United States marshals for their fees, and for the expenses of the United States courts in their respective districts, of the United States attorneys, and of the commissioners and clerks of the United States courts.....	1,554
<i>Diplomatic and Consular</i> , embracing the accounts arising from our intercourse with foreign nations, expenses of consuls for sick and disabled seamen, and of our commercial agents in foreign countries.....	1,929
<i>Land</i> , embracing the accounts of the registers and receivers of land offices, of surveyors general and their deputies, and of land erroneously sold.....	2,072
<i>Mint and its branches</i> , embracing accounts of gold, silver, and cent coinage, of bullion, of salaries of the officers, and of the expenses.....	156
<i>Public Debt</i> , embracing accounts for the redemption of United States stock and notes, interest on the public debt, accounts of the United States Treasurer and the assistant treasurers, and matters connected therewith.....	1,051
<i>Public printing</i> , embracing accounts for public printing, for binding, and for paper.....	130
<i>Territorial printing</i> , embracing accounts for the printing, the paper, and binding of the territorial legislatures.....	45
<i>Congressional</i> , embracing the accounts for the contingent expenses, &c., of the United States Senate and House of Representatives.....	61
<i>Steamboats</i> , embracing accounts for the expenses of the inspection of steamboats, and the salaries of the inspectors.....	479
<i>Collectors of Internal Revenue</i> , embracing their accounts for the collection of the internal revenue, and the accounts for disbursements connected with them.....	3,288
<i>Commissioner of Internal Revenue</i> , being the accounts connected with the refunding of taxes illegally collected.....	114
<i>Auditors of Internal Revenue</i> , embracing their accounts for their commissions, and the expenses of levying the internal revenue tax.....	1,134
<i>Miscellaneous</i> , (Internal Revenue,) embracing all claims for informers, drawbacks &c.....	1,170
<i>Territorial</i> , embracing accounts for the legislative expenses of the several United States Territories, and the incidental expenses of their government.....	265
<i>Miscellaneous</i> , embracing the salaries of the judges of the United States courts, and the several officers thereof, &c.....	1,883
<i>Letters written on official business</i>	9,993
<i>Receipts of Collectors of Internal Revenue</i> , tax-lists, examined, registered, and filed.....	3,408

APPENDIX.

Statement showing the number of banks, amount of capital, amount of bonds deposited, and circulation, in each State and Territory, on the 1st day of October, 1870.

States and Territories.	Organised.	Closed or closing.	In operation	Capital paid in.	Bonds on deposit.	Circulation issued.	In actual circulation.
Maine.....	62	1	61	\$9,155,000 00	\$8,406,750	\$7,901,056	\$7,503,441 00
New Hampshire.....	41		41	4,835,000 00	4,877,000	4,540,335	4,302,535 00
Vermont.....	42		42	7,400,012 50	6,732,500	6,200,900	5,916,270 00
Massachusetts.....	210	3	207	87,522,000 00	65,263,000	62,528,730	56,865,830 00
Rhode Island.....	62		62	20,364,800 00	14,198,100	13,442,430	12,469,680 00
Connecticut.....	83	2	81	25,056,820 00	19,759,100	18,849,745	17,407,181 00
New York.....	316	24	292	113,497,741 00	76,903,800	79,051,460	67,077,068 00
New Jersey.....	55	1	54	11,690,350 00	10,782,150	10,193,065	9,439,065 00
Pennsylvania.....	205	9	196	50,360,390 00	44,433,300	42,202,030	38,742,491 00
Maryland.....	32	1	31	13,240,202 50	10,015,750	9,865,050	8,904,310 00
Delaware.....	11		11	1,428,185 00	1,348,200	1,208,025	1,205,225 00
District of Columbia.....	6	3	3	1,350,000 00	1,286,000	1,379,000	1,070,639 00
Virginia.....	21	3	18	2,725,000 00	2,527,000	2,288,820	2,003,286 00
West Virginia.....	15	1	14	2,216,400 00	2,245,450	2,131,900	1,990,500 00
Ohio.....	138	8	130	23,304,708 00	20,399,900	19,851,715	18,430,164 00
Indiana.....	71	2	69	13,377,000 00	12,839,350	11,816,855	11,022,799 00
Illinois.....	87	3	84	13,095,000 00	11,610,350	10,839,880	10,079,285 00
Michigan.....	43	2	41	5,785,010 00	4,552,100	4,230,755	3,943,305 00
Wisconsin.....	39	5	34	2,720,000 00	2,740,050	2,745,050	2,510,478 00
Iowa.....	49	6	43	4,002,000 00	3,819,650	3,831,135	3,446,416 00
Minnesota.....	18	1	17	1,840,000 00	1,798,200	1,687,950	1,578,456 00
Kansas.....	5		5	410,000 00	412,000	428,800	371,000 00
Missouri.....	23	3	20	7,860,300 00	5,033,250	4,765,470	4,308,811 00
Kentucky.....	18		18	3,160,000 00	3,042,200	2,573,500	2,429,440 00
Tennessee.....	17	1	16	2,061,300 00	1,835,300	1,569,270	1,440,976 00
Louisiana.....	3	1	2	1,300,000 00	1,258,000	1,272,020	1,071,640 00
Mississippi.....	2	2				66,000	46,804 00
Nebraska.....	4		2	500,000 00	225,000	177,100	170,000 00
Colorado.....	3		3	350,000 00	297,000	264,300	254,000 00
Georgia.....	10	2	8	1,815,000 00	1,546,000	1,249,600	1,230,205 00
North Carolina.....	6		6	840,000 00	638,600	539,900	530,000 00
South Carolina.....	3		3	1,061,100 00	374,000	333,600	333,000 00
Alabama.....	3	1	2	400,000 00	310,500	369,200	261,087 00
Nevada.....	1		1	250,000 00	155,000	131,700	111,043 00
Oregon.....	1		1	200,000 00	200,000	88,500	88,500 00
Texas.....	4		4	525,000 00	505,000	494,245	435,445 00
Arkansas.....	2		2	200,000 00	200,000	183,500	179,500 00
Utah.....	2	1	1	250,000 00	150,000	171,500	135,000 00
Montana.....	1		1	100,000 00	40,000	36,000	36,000 00
Idaho.....	1		1	100,000 00	75,000	65,200	63,000 00
Fractional redemptions reported by the Treasurer of the United States.....							5 20
Total.....	1,715	88	1,627	436,478,311 00	342,833,850	331,738,901	299,729,679 20

REPORT OF THE FIRST COMPTROLLER.

TREASURY DEPARTMENT,
Comptroller's Office, October 31, 1870.

SIR: In conformity with your request I furnish herewith a concise statement, in detail, exhibiting the business of this office for the fiscal year ending on the 30th of June, 1870.

The following Warrants of the Secretary of the Treasury have been countersigned by me, entered upon blotters, and duly posted in proper Legers, viz:

Treasury, (proper).....	1,640
Public Debt.....	253
Quarterly Salary.....	1,236
Diplomatic.....	2,500
Treasury, (Interior).....	2,916

Treasury, (Customs).....	3,588
Treasury, (Internal Revenue).....	6,490
War, pay, warrants.....	4,405
War, repay, warrants.....	1,507
Navy, pay, warrants.....	1,923
Navy, repay, warrants.....	471
Interior, pay, warrants.....	1,462
Interior, repay, warrants.....	107
War, civil.....	55
Treasury appropriation.....	14
Treasury, (Interior appropriation).....	20
Interior.....	51
War.....	14
Navy.....	11
Treasury, (Customs).....	11
Internal Revenue, (covering).....	3,296
Customs, (covering).....	1,574
Land, (covering).....	591
Miscellaneous, (covering).....	3,783
Repay, (covering).....	95
Total	38,003

The following accounts, which have been transmitted to this office by the First and Fifth Auditors of the Treasury, the Commissioner of Internal Revenue, and the Commissioner of the General Land Office, have been revised, and the balances found due thereon certified to the Register of the Treasury:

<i>Judiciary</i> , embracing the accounts of the United States marshals for their fees, and for the expenses of the United States courts in their respective districts, of the United States attorneys, and of the commissioners and clerks of the United States courts.....	1,554
<i>Diplomatic and Consular</i> , embracing the accounts arising from our intercourse with foreign nations, expenses of consuls for sick and disabled seamen, and of our commercial agents in foreign countries.....	1,929
<i>Land</i> , embracing the accounts of the registers and receivers of land offices, of surveyors general and their deputies, and of land erroneously sold.....	2,072
<i>Mint and its branches</i> , embracing accounts of gold, silver, and cent coinage, of bullion, of salaries of the officers, and of the expenses.....	156
<i>Public Debt</i> , embracing accounts for the redemption of United States stock and notes, interest on the public debt, accounts of the United States Treasurer and the assistant treasurers, and matters connected therewith.....	1,051
<i>Public printing</i> , embracing accounts for public printing, for binding, and for paper.....	130
<i>Territorial printing</i> , embracing accounts for the printing, the paper, and binding of the territorial legislatures.....	45
<i>Congressional</i> , embracing the accounts for the contingent expenses, &c., of the United States Senate and House of Representatives.....	61
<i>Steamboats</i> , embracing accounts for the expenses of the inspection of steamboats, and the salaries of the inspectors.....	479
<i>Collectors of Internal Revenue</i> , embracing their accounts for the collection of the internal revenue, and the accounts for disbursements connected with them.....	3,288
<i>Commissioner of Internal Revenue</i> , being the accounts connected with the refunding of taxes illegally collected.....	114
<i>Assessors of Internal Revenue</i> , embracing their accounts for their commissions, and the expenses of levying the internal revenue tax.....	1,134
<i>Miscellaneous</i> , (Internal Revenue,) embracing all claims for informers, drawbacks &c.....	1,170
<i>Territorial</i> , embracing accounts for the legislative expenses of the several United States Territories, and the incidental expenses of their government.....	265
<i>Miscellaneous</i> , embracing the salaries of the judges of the United States courts, and the several officers thereof, &c.....	1,883
<i>Letters written on official business</i>	9,963
<i>Receipts of Collectors of Internal Revenue</i> , tax-lists, examined, registered, and filed.....	3,406

Official bonds examined, registered, indexed, and filed.....	541
The following requisitions have been duly examined, entered, and reported on,	
viz:	
Diplomatic and consular.....	713
United States marshals.....	206
Collectors of Internal Revenue.....	2,885
	<u>3,803</u>

In addition to entering and indexing the letters and references, a large amount of copying has been done, and attention regularly bestowed upon miscellaneous work, which it would be impossible to particularize.

Accounts have been stated with sundry railroad companies for interest accrued at the close of the fiscal year, and due by them, respectively, to the United States on certificates of the public debt loaned these companies by the Government to aid in the construction of the roads.

The following schedule shows the amount of principal of the bonds loaned to each company, and of the accrued interest:

Railroad companies.	Amount of bonds.	Interest accrued.
Union Pacific Railroad	\$27,236,519 00	\$2,543,969 81
Central Railroad	25,881,000 00	3,326,834 45
Western Railroad.....	1,970,000 00	137,798 97
Sioux City and Pacific Railroad.....	1,628,320 00	203,470 14
Kansas Pacific (late Union Pacific, Eastern Division) Railroad	6,303,000 00	569,261 05
Central Branch Union Pacific Railroad, (late Atlantic and Pacific Railroad)	1,600,000 00	330,210 84
Total.....	64,618,832 00	7,101,565 25

Letters were addressed to the treasurers of the respective companies requesting an early payment of this interest, but no one of the companies has complied with the request, and only two have answered the letters addressed to them. They both assume and argue that no interest is payable by the companies until the maturity of the bonds, thirty years after the date of issue, at which time, unless payment shall be made more rapidly than heretofore, the interest will be double the principal, and both together will probably greatly exceed the value of the roads.

In conclusion I consider it my duty to the employes of this office to again commend them for their efficiency in the performance of the trusts committed to them, and for their punctuality and general fidelity.

Very respectfully,

R. W. TAYLER,
Comptroller.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE SECOND COMPTROLLER.

TREASURY DEPARTMENT,
Second Comptroller's Office, October 1870.

SIR: I have the honor to submit the following detailed statement of the business operations of this office for the fiscal year ending June 30, 1870:

The aggregate number of accounts of disbursing officers and agents

which have been received, as well as those which have been finally adjusted, is as follows:

	Received.	Revised.	Amount.
From the Second Auditor.....	3, 186	3, 023	\$175, 843, 755 00
From the Third Auditor.....	3, 346	3, 555	354, 763, 915 00
From the Fourth Auditor.....	470	474	42, 035, 001 00
	7, 002	7, 052	572, 642, 671 00

The above accounts have been duly entered, revised, and the balances found thereon certified.

Character of account.	Received.	Revised.	Amount.
FROM THE SECOND AUDITOR.			
Accounts of disbursing officers of the War Department, for collecting, organizing, and drilling volunteers.	40	43	\$3, 807, 411 00
Paymasters' accounts, for the pay and rations, &c., of officers and soldiers of the Army.	1, 224	1, 075	155, 403, 175 00
Accounts of Army recruiting officers, for clothing, equipments, and bounty to recruits, &c.	296	284	586, 157 00
Ordnance, embracing the accounts of disbursing officers of the Ordnance Department, for arsenals, armories, armaments for fortifications, arming militia, &c.	115	114	7, 042, 633 00
Indian Department—accounts of Indian agents, expenses of holding treaties, pay of interpreters, pay of Indian agents, &c., and the settlement of personal claims for miscellaneous service of agents and others in connection with Indian affairs.	646	644	4, 951, 725 00
Medical and hospital accounts, including the purchase of medicines, drugs, surgical instruments, hospital stores, the claims of private physicians for services, and surgeons employed under contract.	507	505	1, 703, 209 00
Military Asylum.....	16	16	1, 031, 878 00
Contingent expenses of the War Department.....	342	342	587, 729 00
Freedmen's Bureau. Pay and bounty.....			729, 749 00
Total.....	3, 186	3, 023	175, 843, 755 00
FROM THE THIRD AUDITOR.			
Quartermasters' accounts, for transportation of the Army, and the transportation of all descriptions of Army supplies, ordnance, and for the settlement of personal claims for services in the Quartermaster's Department.	2, 198	2, 382	\$306, 643, 544 00
Commissaries' accounts, for rations or subsistence of the Army, and for the settlement of personal claims for services in the Commissary Department.	903	908	8, 953, 847 00
Accounts of pension agents, for the payment of military pensions, including the entries of the monthly reports of new pensioners added to the rolls, and the statements from the Commissioner of Pensions respecting the changes arising from deaths, transfers, &c., and for pension claims presented for adjustment.	101	109	23, 872, 750 00
Accounts of the Engineer Department, for military surveys, the construction of fortifications, for river and harbor surveys and improvements.	106	115	13, 140, 191 00
Accounts for the relief of freedmen and refugees.....	38	41	2, 133, 583 00
Total.....	3, 346	3, 555	354, 743, 915 00
FROM THE FOURTH AUDITOR.			
Quartermasters of the Marine Corps, embracing accounts for the expenses of officers' quarters, fuel, forage for horses, attendance on courts-martial and courts of inquiry, transportation of officers and marines, supplies of provisions, clothing, medical stores, and military stores for barracks, and all incidental supplies for marines on shore.	4	2	\$258, 031 00
Accounts of paymasters of the Marine Corps, for pay and rations of the officers and marines and servants' hire.	2	2	181, 264 00
Paymasters of the Navy: accounts for the pay and rations of officers and crew of the ship; supplies of provisions, of clothing, and repairs of vessels on foreign stations.	201	207	17, 512, 120 00

Character of account.	Received.	Revised.	Amount.
FROM THE FOURTH AUDITOR—Continued.			
Paymasters at navy yards: accounts for the pay of officers on duty at navy yards, or on leave of absence, and the pay of mechanics and laborers on the various works.	78	77	\$15,015,304 00
Navy agents' accounts, for their advances to paymasters, purchases of timber, clothing, provisions, and naval stores.	142	146	8,686,816 00
Navy pension agents' accounts, for the payment of pensions of officers and seamen, &c., of the Navy, and officers and privates of the Marine Corps.	43	40	221,466 00
Total.....	470	474	43,923,586 00
CLAIMS REVISED DURING THE YEAR.			
Soldiers' pay and bounty.....	34,623	35,176	\$5,107,932 00
Sailors' pay and bounty.....	1,671	1,665	246,119 00
Prize money.....	5,091	5,118	140,880 00
Contract surgeons.....	21	21	2,896 00
Property lost in the military service.....	723	722	88,649 00
Oregon and Washington Territory war claims.....	120	120	42,504 00
Of States for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting their troops in defense of the United States.	18	18	1,124,960 00
Miscellaneous.....	118	307	
Total.....	42,364	43,147	6,753,940 00
Referred cases.....	1,983	1,993	

Number of settlements for the fiscal year ending June 30, 1870..... 7,062
 Number of accounts on hand at the commencement of the fiscal year July 1, 1869. 1,612
 Number of accounts on hand at the close of the fiscal year June 30, 1870..... 1,262
 Number of letters written on official business..... 946

Number of requisitions recorded during the year.

Kind of requisition.	War.	Navy.	Interior.	Total.
Accountable.....	1,070	1,240	603	2,913
Refunding.....	1,964	436	111	2,511
Settlement.....	2,654	214	594	3,463
Transfer.....	1,139	234	208	1,641
	6,827	2,124	1,516	10,527

Number of contracts, classified as follows:

Quartermaster's Department.....	635
Commissary of Subsistence.....	323
Navy Department.....	114
Engineer Department.....	69
Indian Department.....	46
Adjutant General.....	74
Freedmen's Bureau.....	11
Ordnance.....	5
Surgeons.....	1
Charter parties.....	3
Leases.....	26
Total.....	1,297

Official bonds filed..... 100
 Pensioners recorded..... 16,512

Respectfully submitted.

J. M. BRODHEAD,
Comptroller.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE COMMISSIONER OF CUSTOMS.

TREASURY DEPARTMENT,

Office of Commissioner of Customs, October 11, 1870.

SIR: In compliance with your request I have the honor to transmit a report of the business transacted in this Bureau during the fiscal year ending 30th June, 1870.

All matters relating to customs having been withdrawn therefrom, it only remains for me to report the transactions of the past year relating to receipts from customs, and the accounts of collectors and other officers of the customs, or connected therewith.

The number of accounts on hand in this office July 1, 1869, was.....	194
There were received from the First Auditor from July 1, 1869, to June 30, 1870..	5,704
	<u>5,898</u>
Number of accounts adjusted during the year.....	5,703
Number of accounts returned to First Auditor.....	60
Number of accounts on hand July 1, 1870.....	135
	<u>5,898</u>

These accounts involve the following receipts:

On account of customs.....	\$194,538,374 44
On account of fines, penalties, and forfeitures.....	528,788 38
On account of steamboat inspection.....	208,982 65
On account of storage, &c.....	215,167 00
On account of official fees.....	617,770 23
	<u>196,109,082 70</u>

And the following expenditures:

On account of expenses of collecting the revenue from customs.....	\$6,237,137 25
On account of light-house establishment.....	2,588,300 59
On account of excess of deposits refunded.....	1,836,375 45
On account of expenses of revenue cutter service.....	1,138,393 31
On account of building and repairing custom-houses.....	745,999 06
On account of payment of debentures.....	823,419 54
On account of marine hospital establishment.....	371,213 11
On account of distributive share of fines.....	237,796 86
On account of captured and abandoned property.....	40,823 62
On account of furniture and repairs of furniture for custom-houses...	49,168 80
On account of debentures and other charges.....	53,429 99
On account of proceeds sales unclaimed goods.....	9,009 01
On account of refunding duties.....	6,524 08
On account of examiner of drugs.....	3,084 24
On account of tax on salaries.....	1,022 72
On account of fuel and miscellaneous items for custom-houses.....	42,542 73
On account of relief R. R. Parrott.....	12,198 35
On account of miscellaneous.....	546 58
	<u>14,196,985 29</u>

Number of estimates received.....	1,783
Number of requisitions issued.....	1,740
Amount of requisitions issued.....	\$7,832,675 30
Number of letters written.....	11,565
Number of letters received.....	10,308
Number of returns received and examined.....	2,881
Amount involved in the above statement.....	\$218,138,743 29
Average number of clerks employed.....	26

WAREHOUSE AND BOND ACCOUNTS.

During the year ending June 30, 1870, 888 warehouse and bond accounts have been examined and adjusted; 573 letters have been received, and 148 written in relation to those accounts. A summary of

the warehouse transactions for the fiscal year ending June 30, 1870, cannot be stated, as the large ports are yet in arrears in transmitting their accounts for adjustment. I herewith append a summary of the warehouse transactions in the several districts and ports in the United States for the year ending June 30, 1869.

Very respectfully, your obedient servant,

N. SARGENT,

Commissioner of Customs.

Hon. G. S. BOUTWELL, *Sec'y of the Treasury.*

REPORT OF THE FIRST AUDITOR.

TREASURY DEPARTMENT,

First Auditor's Office, October 20, 1870.

SIR: I have the honor to submit the following report of the operations of this office for the fiscal year ending June 30, 1870:

Accounts adjusted.	Number of accounts.	Amounts.
RECEIPTS.		
Collectors of customs	1,460	\$175,277,795 58
Collectors under steamboat act	521	122,847 35
Internal and coastwise intercourse	1	13,810 87
Mints and assay offices	24	64,985,355 08
Fines, penalties, and forfeitures	409	434,646 07
Seamen's wages forfeited	13	1,435 73
Moneys received on account of deceased passengers	7	100 00
Moneys received for services of United States officers	7	508 29
Total	2,441	240,196,898 97
DISBURSEMENTS.		
Collectors as disbursing agents of the Treasury	1,118	\$6,713,383 91
Official emoluments of collectors, naval officers, and surveyors	793	1,401,656 33
Excess of deposits for unascertained duties	118	1,922,851 46
Debentures, drawbacks, bounties, and allowances	79	694,443 59
Special examiner of drugs	48	6,840 78
Superintendents of lights	300	1,334,613 28
Agents of marine hospitals	473	381,324 07
Accounts for duties illegally exacted, fines remitted, judgments satisfied, and net proceeds of unclaimed merchandise paid	197	92,216 50
Judiciary accounts	1,758	2,096,947 69
Disbursements for revenue cutters	383	1,247,844 85
Redemption of the public debt and the payment of interest thereon	890	393,611,447 18
Pay of janitors of public buildings	2	378 47
California land claims	4	2,365 00
Inspectors of steam vessels for traveling expenses	261	43,433 63
Public printing	72	1,402,416 31
Insane Asylum, District of Columbia	23	187,375 41
Columbia Institution for Deaf and Dumb	7	47,535 75
Columbia Hospital for Women	6	17,527 23
Providence Hospital	10	21,085 48
Designated depositories for contingent expenses	35	6,359 97
Fire and burglar proof vaults for depositories	21	18,354 62
Construction and repairs of public buildings	1,219	3,298,973 63
Life-saving stations	26	15,672 23
Compensation and mileage of the members of the Senate and House of Representatives	3	2,718,636 28
Contingent expenses of the Senate and House of Representatives, and of the several Departments of the Government	530	1,479,075 06
Mints and assay offices	144	68,563,968 50
Territorial accounts	39	181,189 97
Captured and abandoned property	104	41,882 14
Salaries of the civil list paid directly from the treasury	1,331	568,239 28
Coast Survey	24	535,938 30
Disbursing clerks, for paying salaries	351	5,088,763 41
Fuel, lights, &c., for public buildings	60	87,375 98
Additional compensation to collectors, &c.	2	670 70
Treasurer of the United States for receipts and expenditures	4	842,898,738 97
Distribution of fines, penalties, and forfeitures	191	218,367 04
Commissioner of Public Buildings	200	328,696 00
Commissioner of Agriculture	35	159,364 87
Warehouse and bond accounts	223	.....
Miscellaneous	1,004	8,261,688 47
Total	12,630	1,344,512,789 41

Reports and certificates recorded.....	10,572
Letters written.....	2,395
Letters recorded.....	2,395
Powers of attorney registered and filed.....	7,690
Acknowledgments of accounts written.....	8,327
Requisitions answered.....	349
Judiciary accounts entered and filed.....	528
Total.....	32,256

The preceding condensed statement of the business of this office gives so imperfect an idea of the amount of work performed, and the large responsibilities involved, that for the better understanding of the diversified character of the business, and its practical working in detail, I submit the following dissection and exhibit, as the most appropriate means of comprehending its importance and measuring its magnitude.

CUSTOMS DIVISION.

Returns are now received from 139 districts and ports. These returns are distributed as nearly equal as practicable to thirteen different desks. For the proper examination and adjustment of these accounts, clerks are required who have a knowledge of the tariff laws, and are also good practical accountants. The accounts of customs are received and adjusted monthly. These accounts include the duties on imports, marine hospital dues, and duties on tonnage. The abstracts of duties on imports in New York, Boston, Philadelphia, and San Francisco, New Orleans, Baltimore, and Portland, are very large, requiring a great amount of patient labor in comparing the entries with the tariff schedules, made up as those schedules are from the various acts of 1861, 1862, and 1864, and the several amendatory acts. In all the smaller districts, which have no naval officer to certify the abstracts, the manifest is forwarded by the collector for each and every entry of merchandise, amounting, in districts like Portland, Vermont, Oswego, Detroit, &c., to hundreds, and even thousands, in a single month. These must all be examined as to the rate of duty, oath, stamp, &c., and compared with the abstract. After the abstracts are examined and the differences noted, a statement of account is made, and the collector charged with the aggregates and credited by his deposits as shown by the covering warrants.

The collectors of customs also render monthly accounts for expenses of collecting the revenue, which are adjusted quarterly. In these accounts are included all payments to inspectors, weighers, and gaugers, appraisers, revenue boatmen, contingent expenses, salary of collectors, commissions, &c. Vouchers for all these payments must be compared with the lists of appointment for the authority for payment and examined as to correct computation, oath, &c.

Next comes the account of official emoluments, in which the collector accounts for his fees, &c., and charges his payment for clerk-hire, stationery, office rent, &c. This account in large ports is rendered monthly, and in small ones quarterly, and adjusted yearly.

Separate accounts have also to be stated in many of the districts for excess of deposits refunded, debentures paid, and expenses of the revenue-cutter service. These are received monthly, and stated quarterly. In some cases these are very large.

Monthly accounts are also received from nearly all the districts for steamboat fees and fines, penalties and forfeitures, which are usually adjusted quarterly, and in some cases oftener.

The collectors of customs also act as disbursing agents for expenses of marine hospital establishment and the light-house establishment, accounts for which are received monthly and quarterly, and stated quarterly.

There are also many special accounts, such as payments for the salaries of janitors, and the distribution of fines and penalties. Also the cases for the refunded duties exacted in excess, tonnage duty refunded, judgments satisfied, &c.

JUDICIARY.

This division is highly important, embracing the adjustment of all judiciary accounts.

First. Accounts of United States marshals for expenses of United States courts, and for their fees for service of process, &c., in all United States cases under the fee-bill of February 26, 1853, and amendments thereto. The fee-bill of 1853 is general in its application to all States and Territories, but the practice of the courts in the different jurisdictions is not uniform, and hence almost every marshal has his own construction of the fee-bill in making charges in his account. To adjust these accounts the closest scrutiny and thorough acquaintance with the usages and decisions of the accounting officers, a familiar acquaintance with their interpretations of the fee-bill, as also the practice in the several districts, is essentially necessary. The business in the United States courts has nearly doubled since the passage of the internal revenue law, and the closing of the rebellion. The accounts have assumed largely-increased proportions in comparison with what they were prior to 1863.

Second. Accounts of district attorneys for attendance upon United States courts and upon commissioners' examinations, for their travel and fees in all United States cases.

Third. Accounts of clerks of the United States courts for their attendance, and for fees in all United States cases.

Fourth. Accounts of United States commissioners for fees, &c.

In the examination and adjustment of all these accounts, it is necessary not only to hold the fee-bill in memory, but also to be acquainted with all of the many decisions of the Attorneys General, and of the Secretary of the Interior, and to be able readily to apply the same to any charge that may be presented.

REDEMPTION AND INTEREST DIVISION.

To this division is assigned the settlement of accounts of the Treasurer of the United States, assistant treasurers, United States depositaries, and other fiscal agents of the Treasury Department, for the payment of interest on the public debt, Treasury bonds and Government obligations, funded or otherwise, which may be classed as follows:

Registered bonds.—At the close of the fiscal year the amount outstanding of this class of securities, currency and coin, was \$904,435,270. These accounts, payments of which are made semi-annually upon schedules prepared for the several fiscal agents by the Register of the Treasury, are closed and transmitted to this office at the end of sixty days from the date of payment for settlement. The bonds being held, principally, by banking and other corporations, executors, administrators of estates, trustees and guardians of minors and non-residents of the country, and the interest receipted by attorneys and their substitutes, presents at once an idea of the magnitude of the items involved, and the patience and critical examination necessary to protect the public interests in their

proper adjustment. During the year there were sixty-seven coin and twenty currency accounts of this class examined, adjusted and stated, involving in the aggregate the sum of \$47,791,508 06, to which may be included, as part of the clerical labors of the office for the same period, but which does not enter into the statistics of this report, accounts examined but not stated, amounting to \$10,965,723. The number of general and permanent powers of attorney and testamentary evidence of the administration of estates connected with the settlement of registered interest accounts which have been received, examined, and approved, registered and filed, and listed for the use of fiscal agents, amounts to 7,690.

Coupon bonds.—The amount outstanding of this class of bonds on the 30th of June, the interest of which is payable semi-annually in coin, amounts to \$1,267,972,750. The change recently made in the rendition of these accounts, requiring the principal depositaries to make *weekly* and others *monthly* remittances, involves additional labor upon the office in separating the various issues, and preparing for entry on the Register's books a detailed statement of the amounts of interest paid and to be charged to each loan, with the number and amount of coupons redeemed. The number of accounts stated of this class during the year was 281, embracing 4,273,174 vouchers, and amounting to \$65,672,026 20.

Redemption of United States stocks.—The amount of stock of the loans of 1847 and 1848, and Texan indemnity bonds, redeemed during the year, principal and interest, was \$81,700. Eight accounts.

Naval pension fund.—The amount of this fund, upon which the annual interest of 3 per cent. is paid in July and January, amounts in principal to \$14,000,000, and interest to \$400,000. Two accounts stated.

The floating debt or currency obligations, consisting of treasury notes of various issues, certificates of indebtedness, and certificates of deposit for temporary loan, the number of accounts examined and stated of this class during the year was 235, amounting to \$9,293,250 principal, and \$2,461,676 12 interest.

Treasury obligations destroyed.—The number of accounts stated, and of which certificates were issued in favor of the Treasurer, was 259, amounting in the aggregate to \$272,749,078 65.

MINT ACCOUNT AND OTHERS.

Condensed statement.—Bullion accounts of the mint of the United States and branches and assay office, New York; accounts of ordinary expenses of the same; accounts of the secretaries of the Territories; accounts of the governors of the Territories; accounts of supervising and other agents of the Treasury Department, and of officers of the Army for captured and abandoned property; quarterly salary certificates; accounts for defense of suits in the Court of Claims.

The bullion accounts of the Mint, Philadelphia, branch mint, San Francisco, and assay office, New York, are voluminous, and the examination of the various accounts tedious. The abstract of deposits, in connection with the warrants of the Director or superintendent for payment, are first examined and checked, then the various accounts of the treasurer, melter and refiner, and coiner, under the following heads: "Deposit account," "gold bullion," "silver bullion," "cent bullion," "cent deposit account," "gold coinage," "silver coinage," "cent coinage," "melter and refiner's gold," "melter and refiner's silver," "melter and refiner's cent bullion," "coiner's gold," "coiner's silver," "coiner's five-cent

account," "coiner's three-cent account," "coiner's bronze or one and two cent account," "unpaid depositor's," "gold coins for assay," "silver coins for assay," "silver profit and loss," "cent profit and loss," "bullion deposit profit and loss," "profit and loss," "bullion fund," "balances," and, finally, all the above are blended in the "summary statement."

The ordinary expense accounts are for the incidental expenses, wages of workmen, and salaries of officers and clerks of the Mint and branches: accounts of the secretaries of the Territories for compensation and mileage of members, and incidental expenses of the legislative assemblies of the Territories; accounts of the governors of the Territories for contingent expenses of executive officers; quarterly salary certificates for the salaries of judges of the Supreme Court, United States district judges, United States attorneys and marshals, governors and secretaries of the Territories, supervising and local inspectors of steamboats and vessels; accounts of supervising and assistant special agents of the Treasury Department for the collection of captured and abandoned property, and officers of the Army who have received and disposed of property of this class. These accounts consist of three classes:

First. *Money accounts, showing the receipts from and disbursements for and on account of captured and abandoned property.*—In the adjustment of this account careful examinations of all returns of sales, and abstracts of rents received, are made, the abstracts of disbursements are examined to see that no payments are made to agency aids, local or assistant special agents, without the approval of the appointment and rate of compensation by the Secretary of the Treasury, and that the proceeds of no property are released except on proper authority, and that bonds of indemnity are filed.

Second. *The cotton account.*—In this account the agents are charged and credited with all the cotton received by them. The date of the receipt of each lot, from whom received or taken, the marks and number of bales are given, date of disposal, how disposed of; if sold, proceeds stated; if transferred to another agent, that agent is charged with it; or if released, the agent must file his authority for the release; all the vouchers required in the adjustment of a money account are required in this. The number of bales of cotton embraced in accounts of this class adjusted in this office for the last fiscal year was 10,915.

Third. *Miscellaneous property accounts.*—The agents are charged with all property of a miscellaneous character received by them, and the disposition accounted for the same as the cotton accounts; accounts for expenses incurred in the defense of suits in the Court of Claims in relation to captured and abandoned property.

WAREHOUSE AND BOND ACCOUNT.

The regulations of 1857, section 564, required that officers of the customs should account for the duties entered at their respective districts, for warehousing or re-warehousing, with the same particularity of detail as they were previously required to account for the duties on goods entered for consumption; and they were also required to keep and render their warehouse accounts monthly to the First Auditor of the Treasury. The latter regulation, however, was, or became, a dead letter; and collectors only accounted for duties on merchandise warehoused as they were collected. This old regulation was revived by circular No. 27, issued under date of October 1, 1867. Under this circular the attention of officers of the customs was directed to the above regulation, and they were notified to render full and accurate warehouse and bond accounts from July 1, 1867.

The object of these accounts is to trace every importation on which duties are not immediately paid on arrival, until such duties are paid or until the goods are exported out of the country. This requires a detailed account of the receipt and cancellation of all warehouse, re-warehouse, transportation, and exportation bonds, a full account having from sixteen to eighteen formal statements. In this manner an importation is traced from the port of original entry, through perhaps two or more other districts of the United States, to the last port, where the duties are paid, the merchandise entered for exportation, or the bond forfeited and delivered to the district attorney for prosecution.

A division was organized in this office on December 1, 1867, and an immediate examination was entered upon of the accounts rendered since the publication of the aforesaid circular. Seventy-seven districts have rendered accounts; the remainder have no transactions relating to warehousing, and are required only to render monthly statements of the fact, which are filed in place of accounts. Many of these accounts, as from New York, Boston, San Francisco, New Orleans, Philadelphia, Baltimore, and Portland, are very large, and the examination requires an acquaintance with the rates of duty assessed by many tariff acts upon all articles of merchandise imported, and also with the numerous forms and regulations belonging to the warehouse system.

ACCOUNTS OF THE TREASURER OF THE UNITED STATES.

The accompanying statement will exhibit the nature of the accounts, with the amount of moneys involved, audited from July 1, 1869, to June 30, 1870.

The magnitude of the statement will convey some idea of the labor performed in the adjustment of the accounts. The accounts of the Treasurer of the United States for the general receipts and expenditures of the Government are made up and rendered quarterly. The account current (a volume of some three hundred pages) has to be carefully compared with a certified account received from the Register of all warrants drawn on him, or in his favor, during the quarter, the amount remaining unpaid and outstanding of previous quarters, and the amount of such warrants for which he claims credit as being paid, the amount of balances in the various depositories, &c. All warrants drawn on the Treasurer are paid by drafts, and he cannot receive credit for the payment of a single warrant unless it is accompanied by its appropriate draft, properly indorsed by the payee. The examination and comparison of these drafts are intricate and laborious.

The internal revenue warrants at this time fully equal one-half of the yearly issue of warrants prior to the rebellion, many of which require the critical examination of from one to over three hundred drafts.

The amount embraced in the accounts of the Treasurer of the United States, adjusted within the fiscal year ending June 30, 1870, is \$842,898,788 97.

The mileage and compensation of members of the House of Representatives are paid by the Treasurer on certificates of the Speaker of the House, which are the Treasurer's vouchers and upon which he receives credit in the adjustment of his account as agent. This account has to be carefully compared with the journal of the Sergeant-at-arms, who keeps the individual accounts of the members, &c.

The account of the Secretary of the Senate is even more intricate, owing to the irregular sessions of that body.

SALARY ACCOUNTS.

Under this head is embraced the adjustment of the accounts (with two or three exceptions) of disbursing officers for payment of salaries to all persons in the departments at Washington who receive a regular compensation, with some accounts also for temporary and additional clerk-hire. These accounts include the pay-rolls of the Treasury Department, State, War, Navy, Interior, and Post Office Departments, and of the Attorney General, (now the Department of Justice;) also, the accounts of Superintendent of Weights and Measures, Clerk of the House of Representatives, Secretary of the Senate, Librarian of Congress, Congressional Printer, all offices of assistant treasurers of the United States and United States depositories, private secretaries, &c., of the President of the United States, salaries, &c., of Metropolitan Police, and all accounts of the United States Coast Survey.

CONTINGENT ACCOUNTS, ETC.,

includes the contingencies of all the executive departments, Treasury, War, Navy, and Interior; contingencies of the House of Representatives under different appropriations; all the accounts of the Department of Agriculture, salaries, distribution of seeds, &c., under different appropriations; all the accounts of the Commissioner of Public Buildings and Grounds, embracing repairs and preservation of all the public works in the city of Washington, about one hundred different appropriations; all the accounts of the disbursing agent for new dome, Capitol extension, new jail, enlargement of the congressional library, grading the public grounds around the Capitol, &c.; all the accounts of the agent, &c., for the library of Congress, botanic garden, &c., fourteen appropriations; expense of the national loan; contingent expenses of the assistant treasurers of the United States at New York, Boston, New Orleans, Charleston, Denver City, San Francisco, &c.; contingent expenses of the Executive Mansion; contingent expenses of Congressional Printer; accounts for repairs, &c.; furniture for Treasury Department, act of April 7, 1866.

SEPARATE CLASSIFICATION OF ACCOUNTS.

The accounts settled by this division are various, and preclude any general classification. During the last fiscal year the whole number of accounts settled in this office in this branch of its business was 1,683, involving an expenditure of \$5,027,918 25. The number for the present fiscal year will be largely increased.

The following classification embraces the several accounts examined and settled: Construction and repairs of public buildings, furniture for public buildings, public printing, Government Asylum, Deaf and Dumb Asylum, steamboat inspectors, life-saving stations, contingent expenses of United States depositories, Columbia Hospital, timber agents; many other accounts of not less importance, that cannot well be classified, are settled.

In the recording division of the office there are employed five clerks, whose duties consist in recording the reports and certificates of the Auditor to the Comptroller of the Treasury and Commissioner of Customs, on the accounts accruing in the office and the correspondence incident thereto.

There is a large amount of miscellaneous business, much of it of great

importance, requiring the highest clerical qualifications, which has no appropriate classification with any of the divisions previously described, that is dispatched by the chief clerk.

I know of no higher merit of those engaged in the service of government, and more deserving of commendation and recompense, than the faithful and efficient performance of the entire range of duty in all its delicate and responsible relations. Justice and expediency may bring this appropriately within the province of legislation as worthy of the appreciation that honors fidelity, rewards merit, and imparts moral strength to government.

It is not less a pleasure than a duty to state that the clerks of this office have performed all their official responsibilities with industry, capability, and fidelity.

With great respect, your obedient servant,

T. L. SMITH,
First Auditor.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE SECOND AUDITOR.

TREASURY DEPARTMENT,
Second Auditor's Office, November 1, 1870.

SIR: I have the honor to submit herewith the annual report of this office for the fiscal year ending June 30, 1870, showing in detail the condition of business in each division at the commencement of the year, its progress during the year, and its condition at the end thereof.

BOOK-KEEPERS' DIVISION.

The following statement shows the amount and nature of the work performed by this division during the year:

Requisitions registered, journalized, and posted.

On what account drawn.	Number.	Amount.
DEBIT REQUISITIONS.		
<i>Pay.</i>		
Advances in favor of Pay Department	77	\$21,740,000 00
Advances in favor of Adjutant General's Department	74	253,807 64
Advances in favor of Ordnance Department	164	2,454,831 48
Advances in favor of Medical Department	15	493,000 00
Advances under direction of the Secretary of War	12	40,574 50
Advances in favor of Indian Department	345	2,920,148 14
Claims paid under appropriations of Pay Department	56	156,351 43
Claims paid under appropriations of Adjutant General's Department	23	772 16
Claims paid under appropriations of Ordnance Department	10	86,235 14
Claims paid under appropriations of Medical Department	237	23,489 18
Claims paid under appropriations in charge of Secretary of War	219	101,665 65
Claims paid under appropriations of Quartermaster's Department	1	47 10
Claims paid under appropriations of Indian Department	592	716,704 76
Claims paid under special acts of relief by Congress	3	2,068 33
Payments to Treasurer United States, Internal Revenue fund	21	153,586 62
Payments to National Asylum for Disabled Volunteer Soldiers	17	1,630,172 99
Payments to Soldiers' Home	18	91,870 77
Total payments	1,834	30,873,636 09

Number of disbursing accounts of agents on hand June 30, 1870.....	368
Number of property accounts on hand June 30, 1870.....	528
Number of claims on hand June 30, 1870	None.

Total number of accounts, &c., on hand June 30, 1870..... 896

Amount involved in disbursing accounts audited.....	\$1,726,743 45
Amount involved in claims settled	1,307,083 96

Total 3,033,827 41

Number of letters written 984

There was also prepared a report to Congress of receipts and expenditures of the Indian Department during the year.

RECRUITING DIVISION.

The following shows the operation of the recruiting division for the year ending June 30, 1870, together with the condition of the division both at the commencement and close of the year:

	Regular recruiting.		Volunteer re-recruiting.		Accounts and claims for return of local bounty.		Total number accounts	Total amount involved.
	Number of accounts.	Amount involved.	Number of accounts.	Amount involved.	Number of accounts.	Amount involved.		
Accounts on hand June 30, 1869.....	977	.....	144	.....	215	.....	1,336	.....
Accounts received during the year.....	487	.....	95	.....	57	.....	639	.....
Total.....	1,464	.....	239	.....	272	.....	1,975	.....
Accounts settled during the year.....	809	\$153,573 61	137	\$2,288,332 67	53	\$5,157 16	999	\$2,449,063 64
Accounts on hand June 30, 1870.....	655	.....	102	.....	219	.....	976	.....

The amounts disbursed in the settlements named in the above table were paid from the following appropriations:

REGULAR RECRUITING.

Expenses of recruiting.....	\$147,999 01
Bounty to volunteers and regulars.....	7,470 00
Pay of the Army	30 00
Medical and hospital department.....	74 80
Total.....	155,573 81

VOLUNTEER RECRUITING.

Collecting, drilling, and organizing volunteers.....	\$1,657,925 48
Bounty to volunteers and regulars.....	594,150 00
Draft and substitute fund.....	24,627 04
Relief of drafted men	11,100 00
Medical and hospital department.....	530 15
Total.....	2,288,332 67

LOCAL BOUNTY.

Pay of two and three years volunteers.....	5,157 16
Total.....	2,449,063 64

Number of letters written 476

SETTLEMENTS MADE.

During the year the following settlements of a miscellaneous character were made by this division :

On what account drawn.	Number.	Amount.
In favor of the National Asylum for Disabled Volunteer Soldiers	5	\$1, 367, 811 06
In favor of the Soldiers' Home.....	1	7, 381 25
Closing old accounts of disbursing officers, transferring credits to other offices, &c.....	90	
Total.....	96	1, 375, 192 31

SETTLEMENTS ENTERED.

Paymasters'.....	206
Recruiting.....	326
Medical.....	199
Indian.....	131
Ordnance.....	80
Miscellaneous.....	384
Special.....	246
Claims, war.....	422
Claims, Indian.....	526
	<u>946</u>
Total number of settlements.....	<u>2, 520</u>
Number of letters written.....	<u>846</u>

New sets of books have been opened during the last three years, and the ledgers, in use since the organization of the office in 1817, have been discontinued. All open accounts have had to be critically examined, checked, and compared with the settlements on file, preparatory to being transferred from the old to the new books, which has necessarily involved a large amount of labor. It will be several years before this work can be finally completed and the old books entirely closed up. A new index of all the accounts that have ever been opened in the office has been prepared, and is now ready to be transcribed. The system of keeping the books and accounts has been greatly simplified and improved. In addition to the work specified above, much has been done of a miscellaneous character which cannot be stated in detail.

PAYMASTERS' DIVISION.

The total number of settlements made during the year is 1,930, as follows :

Paymasters' accounts examined and reported.....	1, 083
Old settlements of paymasters' accounts revised.....	533
Charges against officers on account of double payments.....	168
Credits in favor of officers for overpayments refunded.....	13
Miscellaneous.....	133
Total.....	<u>1 930</u>

The amounts involved in the above are as follows :

Paymasters' accounts.....	\$141, 438, 680 90
Amount of fines, forfeitures, &c., for the support of the National Asylum for Disabled Volunteer Soldiers, ascertained to be due: 1st, in the current examination of paymasters' accounts, \$293,053 46; 2d, in a special examination by three clerks of this division, who commenced in November, 1869, and reported June 30, 1870, \$31,299 97; and 3d, in the adjustment of claims of the heirs of deceased sol-	

Claims in cases of white soldiers.

DATE.	ADDITIONAL BOUNTY ACT, JULY 28, 1866, AND AMENDMENTS.										ARREARS OF PAY AND ORIGINAL BOUNTY.										
	Original claims.					Suspended claims.					Original claims.					Suspended claims.					
	Whole number examined.	Number found correct.	Number found incomplete and sus- pended.	Number rejected.	Number of duplicate applications found.	Whole number examined.	Number completed by additional evidence received.	Number again suspended; addi- tional evidence insufficient.	Number rejected.	Number of duplicate applications found.	Whole number examined.	Number found correct.	Number found incomplete and sus- pended.	Number rejected.	Number of duplicate applications found.	Whole number examined.	Number completed by additional evidence received.	Number again suspended; addi- tional evidence insufficient.	Number rejected.	Total number of claims examined.	Number of letters written.
1862.																					
July	1,601	368	728	429	226	3,114	516	1,348	250	3,715	3,064	668	601	941	330	3,092	574	998	530	3,532	3,065
August	1,930	846	667	371	146	3,914	582	1,509	140	4,061	3,095	845	667	971	430	3,545	579	924	39	3,758	3,096
September	1,992	642	636	311	293	3,961	579	1,558	134	4,095	3,097	642	635	310	292	3,601	572	957	125	3,540	3,098
October	1,363	451	593	318	221	2,946	585	1,088	78	3,024	3,447	440	503	317	261	3,690	585	937	78	3,171	3,447
November	2,454	810	1,024	374	346	4,004	797	1,029	96	4,100	4,337	365	768	458	491	3,086	556	1,427	163	3,968	4,336
December	1,637	510	666	361	420	3,534	536	1,026	65	3,599	3,788	459	984	779	494	3,788	591	1,033	164	4,504	5,576
1870.																					
January	954	285	331	207	31	1,806	809	908	89	2,700	2,803	324	845	635	357	2,931	888	1,859	184	5,092	5,607
February	359	113	135	106	5	1,110	442	568	100	1,409	2,336	240	750	537	236	2,911	936	1,953	.....	4,684	4,672
March	266	85	93	74	4	875	394	465	68	1,141	2,535	301	740	899	221	3,773	916	2,459	428	5,894	5,120
April	156	20	40	47	.....	813	229	513	41	939	3,154	959	916	916	486	3,556	754	2,216	358	6,761	6,300
May	51	3	4	44	.....	646	178	305	73	729	3,653	1,088	2,433	867	520	3,130	386	2,009	225	7,325	6,674
June	17	16	.....	1	.....	732	255	371	106	749	5,165	413	2,401	777	1,063	3,444	775	2,068	351	8,098	5,165
Total	12,880	4,189	4,926	3,373	1,302	16,877	5,962	9,956	1,058	19,935	40,034	234	12,951	7,027	4,931	30,437	8,312	18,792	3,333	60,380	56,746

ORDNANCE, MEDICAL, AND MISCELLANEOUS DIVISION.

The following statement shows the number of money accounts on hand in the ordnance, medical, and miscellaneous division at the commencement of the year ending June 30, 1870, the number received and settled during the year, and the number remaining on hand unsettled at the end of the year, together with the expenditure embraced in the settlements:

Accounts on hand June 30, 1869.....	937
Accounts received during the year ending June 30, 1870.....	1,394
Total.....	2,331
Accounts settled during the year.....	1,708
Accounts remaining on hand unsettled June 30, 1870.....	623
Amount of the accounts settled during the year.....	\$3,571, 107 13

The expenditure named in the foregoing statement was made under the following heads, viz.:

Ordnance Department.....	\$2,267,502 32
Medical Department.....	321,499 08
Expended by disbursing officers out of the Quartermaster's funds, not chargeable to said funds, but to certain appropriations on the books of this office.....	751,022 83
Miscellaneous, viz:	
Contingencies of the Army.....	178,688 01
Secret service.....	11,440 05
Providing for the comfort of sick and discharged soldiers.....	25,971 21
Sick and wounded soldiers' fund.....	7,621 73
Medical and Surgical History and Statistics.....	2,161 64
Expenses of the Commanding General's Office.....	2,239 78
Contingent expenses of the Adjutant General's Department at Department headquarters.....	408 67
Keeping and transporting prisoners of war.....	62 76
Purchase of books of tactics.....	150 00
Expenses of recruiting.....	120 75
Pay of the Army.....	98 00
Relief of certain musicians and soldiers stationed at Fort Sumter, South Carolina, act of July 24, 1861.....	30 00
Relief of Captain Phelps Paine, act of April 1, 1870.....	2,030 30
Total.....	3,571, 107 13
Number of letters written.....	1,716

INDIAN DIVISION.

General report of the Indian division for the fiscal year ending June 30, 1870:

Number of disbursing accounts of agents on hand June 30, 1869.....	279
Number of property accounts of agents on hand June 30, 1869.....	349
Number of claims on hand June 30, 1869.....	None.
Number of disbursing accounts of agents received during the year.....	626
Number of property accounts received during the year.....	392
Number of claims received during the year.....	635
Total.....	2,281
Number of disbursing accounts of agents audited during the year.....	537
Number of property accounts examined during the year.....	213
Number of claims settled during the year.....	635
Total.....	1,385

Number of disbursing accounts of agents on hand June 30, 1870.....	368
Number of property accounts on hand June 30, 1870.....	528
Number of claims on hand June 30, 1870	None.

Total number of accounts, &c., on hand June 30, 1870..... 896

Amount involved in disbursing accounts audited.....	\$1,726,743 45
Amount involved in claims settled	1,307,083 96

Total

3,033,827 41

Number of letters written 994

There was also prepared a report to Congress of receipts and expenditures of the Indian Department during the year.

RECRUITING DIVISION.

The following shows the operation of the recruiting division for the year ending June 30, 1870, together with the condition of the division both at the commencement and close of the year:

	Regular recruiting.		Volunteer re-recruiting.		Accounts and claims for return of local bounty.		Total number accounts	Total amount involved.
	Number of accounts.	Amount involved.	Number of accounts.	Amount involved.	Number of accounts.	Amount involved.		
Accounts on hand June 30, 1869.....	977	.....	144	.....	215	.....	1,336	.....
Accounts received during the year.....	487	.....	95	.....	57	.....	639	.....
Total	1,464	.....	239	.....	272	.....	1,975	.....
Accounts settled during the year.....	809	\$153,573 81	137	\$2,288,332 67	53	\$5,157 16	999	\$2,449,063 64
Accounts on hand June 30, 1870.....	655	.....	102	.....	219	.....	976	.....

The amounts disbursed in the settlements named in the above table were paid from the following appropriations:

REGULAR RECRUITING.

Expenses of recruiting.....	\$147,999 01
Bounty to volunteers and regulars.....	7,470 00
Pay of the Army	30 00
Medical and hospital department.....	74 80
Total.....	<u>155,573 81</u>

VOLUNTEER RECRUITING.

Collecting, drilling, and organizing volunteers.....	\$1,657,925 48
Bounty to volunteers and regulars.....	594,150 00
Draft and substitute fund	24,627 04
Relief of drafted men	11,100 00
Medical and hospital department.....	530 15
Total.....	<u>2,288,332 67</u>

LOCAL BOUNTY.

Pay of two and three years volunteers.....	5,157 16
Total.....	<u>2,449,063 64</u>

Number of letters written 476

PROPERTY DIVISION.

The following statement shows the condition of business in this division at the commencement of the year, its progress during the year, and its condition at the end of the year :

Number of property returns of officers on hand June 30, 1869.....	88,827
Number of property returns of officers received during the year	18,637
Total.....	107,464
Number of property returns of officers examined during the year	43,689
Number of property returns of officers on hand June 30, 1870.....	63,775
Number of certificates of non-indebtedness issued to officers.....	696
Amount stopped from the pay of officers for property not accounted for....	\$2,061 90
Number of letters written during the year.....	18,992
Number of letters recorded	10,891

DIVISION OF INQUIRIES AND REPLIES.

The work performed in the division of inquiries and replies during the year ending June 30, 1870, is as follows :

Number of inquiries on hand unanswered June 30, 1869..... 3,495

Officers making inquiry.	Number received.	Number answered.
Adjutant General.....	4,998	8,036
Paymaster General.....	815	840
Quartermaster General.....	39	30
Commissary General of Subsistence.....	103	103
Third Auditor.....	1,023	1,003
Fourth Auditor.....	39	40
Commissioner of Pensions.....	2,588	2,666
Other sources.....	4,104	3,699
Total.....	13,709	16,435

Inquiries on hand unanswered June 30, 1870.....	769
Corrections of records made by request of the Adjutant General	1,368
Rolls and vouchers copied for Adjutant General and Paymaster General.....	1,704
Rolls copied for preservation in this office	33
Number of letters written	3,762

While the above figures exhibit a summary of the work of this division, they fail to convey an adequate idea of the research and labor involved in the preparation of the proper replies to inquiries, as is shown by the fact that sometimes a single case requires reference to as many as one hundred paymasters' accounts, and a reply frequently covers from twenty to thirty pages of foolscap.

PAY AND BOUNTY DIVISION.

The following tabular statements exhibit in detail the operations of the two branches of the pay and bounty division during the year, together with the condition of the business of the division, both at the commencement and close of the year.

Examining branch.

The three following tables show the work performed by the examining branch of this division during the year :

Claims in cases of white soldiers.

DATE.	ADDITIONAL BOUNTY ACT, JULY 28, 1868, AND AMENDMENTS.										ARREARS OF PAY AND ORIGINAL BOUNTY.										
	Original claims.					Suspended claims.					Original claims.					Suspended claims.					
	Whole number examined.	Number found correct.	Number found incomplete and sus- pended.	Number rejected.	Number of duplicate applications	Whole number examined.	Number completed by additional evidence received.	Number again suspended; addi- tional evidence insufficient.	Number rejected.	Number of letters written.	Whole number examined.	Number found correct.	Number found incomplete and sus- pended.	Number rejected.	Number of duplicate applications	Whole number examined.	Number completed by additional evidence received.	Number again suspended; addi- tional evidence insufficient.	Number rejected.	Total number of claims examined.	Number of letters written.
1868.																					
July	1,601	362	728	259	236	9,114	516	1,348	250	3,715	2,064	688	601	941	390	2,092	574	998	590	3,852	3,065
August	1,920	846	667	971	146	2,131	582	1,509	40	4,061	3,095	845	667	971	430	1,545	592	924	39	3,756	3,096
September	1,493	642	636	311	293	1,661	579	1,038	124	3,543	3,007	642	635	310	992	1,601	570	957	125	3,540	3,008
October	1,363	451	593	318	281	1,600	585	1,038	78	3,183	3,447	440	583	317	921	1,600	585	937	78	3,171	3,447
November	2,454	810	1,024	374	346	1,703	797	1,039	96	4,316	4,337	385	704	458	991	2,086	556	1,427	103	3,968	4,336
December	1,637	510	668	261	620	1,687	536	1,026	65	3,884	2,789	459	864	779	494	1,788	591	1,033	164	4,504	5,578
1870.																					
January	954	365	331	307	31	1,806	809	908	89	2,760	2,803	394	845	635	357	2,821	868	1,859	184	5,092	5,607
February	359	113	115	106	5	1,110	442	568	100	1,469	2,336	240	750	557	226	2,911	926	1,985	438	4,694	4,672
March	386	95	83	74	4	875	394	465	66	1,141	2,555	261	740	869	921	3,773	916	2,429	...	5,084	5,130
April	196	30	49	47	...	813	329	513	41	839	3,194	989	1,534	916	486	3,536	754	2,316	566	6,781	6,360
May	51	3	4	44	...	646	174	395	73	697	3,653	988	2,433	867	590	2,190	566	2,009	585	7,928	6,674
June	17	16	...	1	...	723	255	371	106	749	5,185	413	2,401	777	1,063	2,444	775	2,084	391	8,099	5,185
Total	13,880	4,169	4,998	3,373	1,392	16,877	5,462	9,856	1,056	39,757	40,034	30,143	19,951	7,027	4,931	30,437	8,313	18,792	3,323	60,380	56,746

Claims in cases of colored soldiers, including both arrears of pay and bounties.

Date.	Original claims.					Suspended claims.				Total number of claims examined.	Number of letters written.
	Whole number examined.	Number found correct.	Number found incomplete and suspended.	Number rejected.	Number of duplicate applications found.	Whole number examined.	Number completed by additional evidence received.	Number again suspended; additional evidence insufficient.	Number rejected.		
1869.											
July.....	619	230	311	78	.....	1,584	490	925	939	2,203	1,820
August.....	306	45	269	46	.....	1,642	400	1,115	127	1,942	2,000
September.....	192	8	138	46	.....	1,742	470	1,145	127	1,934	1,748
October.....	390	31	215	84	60	2,403	678	1,617	108	2,793	1,949
November.....	645	114	442	89	.....	1,822	612	1,148	62	2,467	2,578
December.....	496	93	328	75	.....	1,332	493	741	98	1,828	2,089
1870.											
January.....	665	58	555	52	.....	1,396	316	1,003	77	2,061	2,566
February.....	115	12	82	21	.....	1,699	405	1,216	78	1,814	2,207
March.....	439	10	168	53	208	1,850	429	1,324	97	2,289	2,488
April.....	317	6	172	35	104	2,185	619	1,443	123	2,502	2,413
May.....	439	5	98	26	310	1,690	293	1,256	147	2,129	1,893
June.....	295	7	179	20	89	1,368	257	1,052	59	1,663	1,728
Total.....	4,912	619	2,897	625	771	20,713	5,392	13,979	1,342	25,625	25,479

SUMMARY.

Date.	Original claims.					Suspended claims.				Total number of claims examined.	Number of letters written.
	Whole number examined.	Number found correct.	Number found incomplete and suspended.	Number rejected.	Number of duplicate applications found.	Whole number examined.	Number completed by additional evidence received.	Number again suspended; additional evidence insufficient.	Number rejected.		
1869.											
July.....	4,050	1,286	1,640	578	546	5,790	1,510	3,201	1,009	9,770	7,049
August.....	4,443	1,736	1,543	568	576	5,318	1,564	3,548	206	9,761	8,191
September.....	3,953	1,292	1,409	667	585	5,064	1,628	3,060	376	9,017	8,963
October.....	3,544	922	1,401	719	502	5,603	1,848	3,492	264	9,147	8,843
November.....	4,981	1,289	2,234	921	537	5,670	1,965	3,514	191	10,651	11,251
December.....	4,869	1,082	1,978	1,115	714	4,747	1,620	2,800	327	9,616	10,453
1870.											
January.....	3,780	667	1,731	994	388	6,133	2,013	3,770	350	9,913	10,076
February.....	2,257	365	967	634	241	5,720	1,773	3,769	178	7,977	9,215
March.....	2,826	366	1,001	1,026	433	6,498	1,669	4,238	591	9,324	10,163
April.....	3,668	325	1,755	998	590	6,554	1,639	4,172	750	10,222	11,957
May.....	4,568	296	2,535	937	830	5,456	1,057	3,654	745	10,554	12,200
June.....	4,966	436	2,580	798	1,152	5,544	1,287	3,511	746	10,510	12,098
Total.....	47,935	10,042	20,774	10,025	7,094	68,027	19,566	42,729	5,733	115,962	122,259

Settling branch.

The three following tables show the work performed by the settling branch of this division during the year.

Claims in cases of white soldiers.

Date.	ADDITIONAL BOUNTY, ACT JULY 22, 1866.					ARREARS OF PAY, &c., ACT JULY 22, 1861.				
	Number of claims.				Amount in- volved.	Number of claims.				Amount in- volved.
	Received.	Allowed.	Rejected.	Whole No. disposed of.		Received.	Allowed.	Rejected.	Whole No. disposed of.	
1869.										
July	1,749	789	98	887	\$75,166 74	953	1,208	496	1,704	\$190,346 65
August	1,708	890	143	963	78,182 68	1,124	807	367	1,194	127,975 11
September	1,305	833	98	931	78,313 22	1,687	999	392	1,381	162,431 90
October	1,267	1,099	116	1,215	103,742 54	1,537	1,014	478	1,492	239,546 30
November	1,591	1,340	173	1,513	125,762 32	1,430	1,147	419	1,566	157,362 01
December	1,150	1,106	86	1,252	109,991 01	3,110	982	364	1,366	132,156 33
1870.										
January	199	1,071	141	1,219	101,674 39	1,217	1,355	521	1,876	178,516 77
February	39	1,609	68	1,670	150,843 10	1,029	862	317	1,179	144,319 33
March	49	1,451	173	1,694	138,052 71	2,700	1,137	568	1,705	148,567 63
April	55	999	92	1,091	95,004 57	5,307	1,070	533	1,603	178,639 60
May	45	869	91	953	81,842 46	3,609	837	398	1,165	196,965 43
June	133	753	112	965	70,782 00	3,930	864	112	976	135,431 60
Total	9,284	12,785	1,391	14,176	1,209,357 67	27,752	12,272	4,935	17,907	1,921,549 10

Claims in cases of colored soldiers, including both arrears of pay and bounties.

Date.	Number of claims.				Amount in- volved.
	Received.	Allowed.	Rejected.	Whole No. disposed of.	
1869.					
July	998	800	68	968	\$140,861 49
August	570	167	43	230	31,452 18
September	417	469	76	545	82,574 42
October	324	549	27	576	83,604 74
November	308	456	93	549	80,352 00
December	504	400	62	462	70,526 64
1870.					
January	945	489	73	535	94,906 08
February	180	521	90	530	81,706 21
March	933	577	87	664	111,322 54
April	910	500	101	601	68,094 60
May	146	471	30	501	82,926 37
June	181	492	72	564	66,554 47
Total	4,360	5,904	781	6,685	1,029,809 54

Claims in cases of colored soldiers, &c.—Continued.

SUMMARY.

Date.	Number of claims.			Total number of claims disposed of.	Amount involved.	Number of letters written.
	Received.	Allowed.	Rejected.			
1869.						
July.....	3,690	2,797	662	3,459	\$406,388 88	7,326
August.....	3,402	1,814	573	2,387	236,909 97	4,500
September.....	3,409	2,291	566	2,857	323,319 54	4,654
October.....	3,188	2,652	621	3,283	431,895 58	5,066
November.....	3,330	2,943	685	3,022	363,476 93	5,731
December.....	4,764	2,548	559	3,100	312,712 18	6,240
1870.						
January.....	1,661	2,908	735	3,643	365,096 17	6,442
February.....	1,240	2,985	414	3,399	376,863 64	5,800
March.....	3,042	3,165	828	3,983	397,982 90	7,573
April.....	5,572	2,569	736	3,295	361,648 19	6,568
May.....	3,860	2,170	449	2,619	291,714 26	5,950
June.....	4,244	2,109	296	2,405	292,768 07	5,839
Total.....	41,402	30,961	7,107	38,068	4,160,776 31	71,669

Consolidated statement showing the operations of the entire division for the fiscal year ending June 30, 1870.

Date.	Number of claims.			Whole No. dis- posed of.	Amount in- volved.	No. of let- ters writ- ten.	No. of cer- tificates issued.
	Received.	Allowed.	Rejected.				
1869.							
July	3,690	2,797	2,249	5,046	\$406,388 88	15,275	3,100
August	3,402	1,814	1,367	3,181	226,909 97	12,691	3,010
September	3,409	2,291	1,609	3,900	323,319 54	13,617	2,736
October	3,188	2,662	1,604	4,266	431,895 58	13,909	4,042
November	3,330	2,943	1,797	4,740	363,476 93	16,968	3,039
December	4,764	2,548	1,984	4,542	312,712 18	16,603	3,445
1870.							
January	1,661	2,908	2,079	4,987	365,096 17	17,418	3,049
February	1,240	2,985	1,276	4,261	376,863 64	15,015	2,661
March	3,042	3,165	2,445	5,610	397,982 90	17,736	3,351
April	5,572	2,569	2,474	5,043	361,648 19	18,525	3,160
May	3,860	2,170	2,131	4,301	291,714 26	18,150	2,708
June	4,244	2,109	1,840	3,949	292,768 07	17,937	2,153
Total	41,402	30,961	22,865	53,626	4,160,776 31	193,948	36,454

In addition to the above there have been made in this division twelve settlements on account of fines, forfeitures, stoppages, &c., against soldiers of the regular Army, embracing \$16,945 94, paid to the treasurer of the Soldiers' Home, in accordance with the act of Congress of March 3, 1859, making the total number of settlements in this division 30,973, and the total disbursements \$4,177,722 25.

Number of claims under act of July 28, 1866, (white,) on hand June 30, 1869... 18,363
 Number of claims for arrears of pay and original bounty (white) on hand June 30, 1869..... 29,650
 Number of colored claims on hand June 30, 1869..... 18,173

Total number of claims on hand June 30, 1869..... 66,186

Number of claims under act of July 28, 1866, (white,) on hand June 30, 1870.. 10,040
 Number of claims for arrears of pay and bounty (white) on hand June 30, 1870. 29,835
 Number of colored claims on hand June 30, 1870..... 13,887

Total number of claims on hand June 30, 1870..... 53,762

The following statement shows the condition of the claims on hand at the close of the year :

Number of claims suspended, awaiting evidence to be filed by claimants or their attorneys	45, 871
Number of claims under the decision of the Supreme Court in the case of United States, appellants, vs. Hosmer, awaiting further action of Congress	2, 253
Number of claims ready for settlement	3, 220
Number of claims unexamined June 30, 1870	2, 414
Total	<u>53, 762</u>

DIVISION FOR THE INVESTIGATION OF FRAUDS.

During the year 3,044 cases have been under examination and investigation in this division. Briefs have been prepared in 493 cases; 490 cases have been finally disposed of, 126 of which were rejected; 112 cases have been prepared for suit and prosecution through the various United States courts.

The amounts recovered by suit and otherwise are as follows :

Money recovered by draft, certificate of deposit, and current funds, credited to the proper appropriations through the Treasurer's and Paymaster General's offices	\$8, 930 04
Money recovered and turned over to Paymasters J. L. Hodge and E. H. Brooke, to be credited to the proper appropriations	4, 568 63
Amount recovered and paid directly to claimants through United States courts	3, 206 91
Amount unlawfully withheld by agents, secured to claimants by interposition of this office	1, 940 51
Amount recovered as fines and costs of prosecution	597 91
Amount of Treasury certificates issued in fraudulent cases, recovered before payment	1, 337 59
Amount of paymasters' checks issued in fraudulent cases, recovered before payment	900 00
Amount of charges raised against paymasters on account of payments upon forged receipts	100 00
Amount secured by offset	93 46
Amount secured by recovery of Treasury certificates before payment, and deductions made therefrom on account of overpayments	450 00
Payment stopped on certificates, involving the amount of	825 23
Total	<u>22, 310 28</u>
In addition to the above there has been secured by bond, payable to the United States in case certain money drawn upon forged receipts and powers of attorney is not paid over to the rightful claimants	1, 700 00
Total amount secured	<u>24, 010 28</u>

There are now under examination and investigation 3,370 cases, as follows :

Fraudulent and contested claims in cases of white soldiers, in which settlements had been made prior to notice of fraud and receipt of adverse claims	984
Fraudulent and contested unsettled claims in cases of white soldiers	265
Fraudulent and contested claims in cases of colored soldiers, in which settlements had been made prior to notice of fraud and receipt of adverse claims ..	438
Unsettled claims of widows of colored soldiers, involving fraud in the marriage evidence	2-3
Unsettled contested claims of widows of colored soldiers	246
Supposed fraudulent unsettled claims filed from Shelby County, Tennessee, in cases of colored soldiers	1, 102
Miscellaneous claims believed to involve fraud	46
Total	<u>3, 370</u>

REPORT OF THE SECRETARY OF THE TREASURY.

97

Number of claims on hand June 30, 1869.....	2,972	
Number of claims received during the year.....	888	
		3,860
Number of claims finally disposed of during the year.....		490
Number of claims on hand June 30, 1870.....		3,370
Number of letters written.....		4,851

DIVISION IN CHARGE OF ARCHIVES.

During the year it has been found necessary to set apart two additional rooms for the temporary deposit of accounts until taken up for settlement, making the whole number of rooms now occupied by this division twenty-four.

The following is a statement of the work performed by this division :

Number of accounts filed in rooms of temporary deposit, awaiting settlement.	3,685	
Number of accounts temporarily absent from the files, and upon desks of clerks for settlement.....		251
Number of confirmed settlements received from the Second Comptroller, verified, briefed, and transferred to permanent files :		
Paymasters'.....	199	
Indian.....	657	
Miscellaneous.....	3,198	
		4,054
Number of accounts verified, arranged, and filed.....		689
Number of accounts reexamined, rearranged, boarded, and filed.....		7,631
Number of accounts withdrawn and returned to files.....		6,706
Number of vouchers withdrawn and returned to accounts.....		75,908
Number of duplicate vouchers examined and attached to originals.....		63,756
Number of abstracts of accounts put in book form.....		1,327
Number of mutilated rolls repaired with tracing muslin.....		38,958

In addition to the above there has been much work of a general character performed by this division, involved in the care and distribution of the blank forms used throughout the office, assisting clerks in obtaining needed papers from the files, registering all new accounts received, and keeping the books containing the records of payments made to the Army.

Number of letters written.....	729
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REGISTRY DIVISION.

This division was organized in October, 1869. Its duties are to keep a record of the claims, accounts, vouchers, letters, &c., received in the office; to brief the same, and distribute them to the various divisions to which they pertain; to record and index letters sent from the office; to register licenses of agents; to examine, keep account of and mail all pay, bounty, and miscellaneous certificates issued; to keep a record of and forward all matter referred to other offices; to attend to miscellaneous correspondence, &c. These duties were previously discharged in various parts of the office, but gathering them under the charge of a single division has been found very advantageous.

The following is a statement of the work performed in this division since its organization :

Number of letters received.....	56,663
Number of letters written.....	57,756
Number of letters recorded.....	78,863
Number of letters referred to other Bureaus.....	1,158
Number of dead letters received and registered.....	2,648
Number of licenses received and registered.....	1,699
Number of claims received, briefed, and registered.....	41,009
Number of miscellaneous accounts received from other offices and distributed.	2,248

Number of miscellaneous vouchers received, briefed, and registered.....	28,524
Number of pay and bounty certificates examined, registered, and mailed.....	22,416
Number of pay and bounty certificates examined, registered, briefed, and forwarded to Paymaster General in accordance with joint resolution of April 10, 1869.....	14,058
Number of miscellaneous certificates examined, registered, and mailed.....	5,192

For convenience of reference, I annex the following consolidated statement showing the various classes of accounts settled in the office, the number of each class on hand at the beginning of the year, the number received and disposed of during the year, and the number on hand at the end of the year; also the amount involved in settlements:

Description of accounts.	On hand June 30, 1869,	Received during year.	Disposed of during year.	On hand June 30, 1870.	Amount involved in settlements.	Number of letters written.
Paymasters'.....	3,673	689	1,083	3,279	\$142,107,329 15	12,842
Indian agents'.....	279	626	537	368	1,726,743 45	984
Indian agents', (property).....	349	392	213	528		
Indian claims.....		635	635		1,307,083 96	
Ordnance, medical, and miscellaneous.....	937	1,394	1,708	623	3,571,107 13	1,716
Bounty, arrears of pay, &c.....	66,186	41,402	53,836	53,702	4,160,776 31	193,948
Regular recruiting.....	977	487	809	655	155,573 81	476
Volunteer recruiting.....	144	95	137	102	2,288,332 67	
Claims for return of local bounty.....	215	57	53	219	5,157 16	
Ordnance and Quartermaster's Department, (property).....	88,827	18,637	43,680	63,775		18,992
Soldiers' Home.....		17	17		91,329 17	
National Asylum.....		19	19		1,700,346 71	
Total.....	161,587	64,450	102,726	123,311	157,113,779 52	228,553

Besides the number of letters stated in the above table, there have been written 134,598 relating to the miscellaneous business of the office, making a total of.....

Number of claims, &c., received, briefed, and registered.....	363,356
Number of licenses of claim agents received and recorded.....	173,487
Number of letters copied and indexed.....	2,234
Average number of clerks employed during the year.....	99,664
	300

In addition to the foregoing, various statements and reports have been prepared and transmitted from the office, as follows:

Annual report to the Secretary of the Treasury of the transactions of the office during the fiscal year.

Annual statement of the recruiting fund, prepared for the Adjutant General of the Army.

Annual statement of the contingencies of the Army, prepared in duplicate for the Secretary of War.

Annual report of balances on the books of this office remaining unaccounted for more than one year, transmitted to the First Comptroller.

Annual report of balances on the books of this office remaining unaccounted for more than three years, transmitted to the First Comptroller.

Annual statement of the clerks and other persons employed in this office during the year 1869, or any part thereof, showing the amount paid to each on account of salary, with place of residence, &c., in pursuance of the eleventh section of the act of 26th August, 1842, and resolution of the House of Representatives of January 13, 1846, transmitted to the Secretary of the Treasury.

Monthly tabular statement showing the amount of business transacted in the office during the month, and the number of accounts re-

maintaining unsettled at the close of the month, transmitted to the Secretary of the Treasury.

Monthly report of absence from duties of employes in this office, with reasons therefor, transmitted to the Secretary of the Treasury.

Pay-rolls, upon which payment was made to the employes of this office, prepared semi-monthly, in duplicate.

There has been no new class of claims presented during the year, but that for bounty under the decision of the Supreme Court of March 14, 1870, in favor of soldiers who enlisted for three years under the call of the President of May 3, 1861, for 42,034 volunteers, and who were discharged for disability other than wounds before serving two years. Of this class 2,253 claims have been presented, which are suspended for congressional action.

By General Order No. 15, of the War Department, of May 4, 1861, the volunteers called for as above were to be organized into forty regiments, and each non-commissioned officer and private was promised a bounty of \$100 *when discharged*. As the act of July 22, 1861, was manifestly intended to apply to all who had enlisted, as well as to those who might thereafter enlist under it, and made it a condition for the payment of bounty to a discharged soldier that "he shall have served for a period of two years," no distinction was made by the accounting officers in the denial of bounty to such as had not served two years, between those who enlisted prior and those who enlisted subsequently to the passage of the law. The Supreme Court, however, decided that inasmuch as Congress, by the resolution of August 6, 1861, legalized the proclamation of the President of May 3, 1861, and the orders and acts done under it, the promise of bounty became a part of the contract of enlistment of the troops then called for, notwithstanding the terms of the act of July 22, 1861. While the proclamation of the President and General Orders Nos. 15 and 25 only contemplated the raising of *forty* regiments, it appears that *eighty-two* regiments were organized and accepted prior to July 22; and as the Adjutant General is unable to designate the forty regiments referred to, the accounting officers will not be able to settle any of this class of claims until after Congress, by legislation, shall have placed all volunteers enlisting, for three years, prior to July 22, 1861, and who were discharged before serving two years, upon the same footing as to bounty.

Many complaints have been received from claimants in Europe of the unfaithfulness and extortion of their agents, both at home and in this country; and I have been led to the conclusion that it would be for the interest of all foreign claimants and of the Government if all claims for arrears of pay, bounty, &c., were required by law to be presented through the United States consuls, and that payment be made through the same channels. By this method the Government would secure itself more effectually against imposition by fraudulent claimants, and at the same time make sure that its obligations are properly discharged. Those claims are generally small, the claimants poor and ignorant of our laws, and easily imposed upon by persons who are designing and unscrupulous. I respectfully commend the subject to the consideration of Congress.

During the past year some changes have been made for the better in the organization of the office, and the work in all its departments is progressing in a satisfactory manner. It affords me great pleasure to speak of the interest manifested in its business by all the gentlemen employed, and I commend their general ability, industry, and usefulness.

For the purpose of doing them an act of justice, and at the same time to furnish a reply to inquiries frequently made in relation to the character and amount of work done in this office, the expenses of the war, &c., I have prepared the following tables.

The first is a condensed statement of all the settlements of money accounts and claims from March 4, 1817, when the office was organized, until June 30, 1861, a period of forty-four years. This time is divided into two periods, so as to show at a glance the amount passed upon prior and subsequent to the Mexican war.

Prior to the time when I assumed charge of the office the accounts were not so kept as to leave a record of all the work done, and it is therefore not possible to give a statement beyond that of the money settlements.

The second table is a condensed statement of the number and amount of money settlements by the different divisions of the office, the number of property accounts adjusted, the number of claims rejected, the number of examinations and certificates to the Paymaster General and Commissioner of Pensions, and other incidental work performed in each year during the past nine years:

Number of accounts settled from March 4, 1817, to June 30, 1861.

Accounts.	From March 4, 1817, to June 30, 1847.	From June 30, 1847, to June 30, 1861.	Total.
Ordnance, medical, and miscellaneous.....	12, 272	6, 693	19, 965
Recruiting and disbursing officers.....	12, 840	6, 097	18, 937
Arrears of pay, &c.....	6, 283	21, 261	27, 544
Paymasters.....	1, 759	1, 427	3, 186
Indian agents.....	3, 454	5, 562	9, 016
Total.....	37, 408	41, 143	78, 551

From the establishment of the office in 1817 to the close of the fiscal year ending June 30, 1847, the number of money accounts settled was 37,408. The average number of clerks employed was 15, making a yearly average of 83 accounts settled by each clerk.

During the fourteen years from June 30, 1847, to June 30, 1861, the number of money accounts and claims settled was 41,142. The average number of clerks employed was 26, and the average number of settlements by each was 113 for each year.

From the 30th of June, 1861, to the close of the last fiscal year, a period of nine years, the number of cash accounts allowed and settled was 773,696. To this number I add 143,820 rejected, because every claim rejected usually involves as much labor and care in the examination as a claim that is allowed and paid, making an aggregate of 917,516. During this period the average number of clerks employed was 286, and the average number of settlements per clerk was 356 for each year.

Although the records of the office afford no means for definitely determining the number of property accounts settled prior to 1861, a careful examination, based upon such data as can be found, indicates that the ratio of increase in the number of settlements since the commencement of the late war is about double what it is in the cash accounts. Assuming this to be the fact, the number of property accounts settled annually by each clerk, from 1817 to June 30, 1847, was 39, and from 1847 to 1861, 58, while during the last nine years the average has been 306.

The total average of both classes of settlements per man for the three periods named would be: From March 4, 1817, to June 30, 1847, 122; from June 30, 1847, to June 30, 1861, 171; from June 30, 1861, to June 30, 1870, 662.

It will be found that, including the rejected claims, nearly *twelve times as many* money accounts and claims have been settled in *nine years* as were settled in the preceding *forty-four*; and when it is remembered that during that long period the military claims were mainly those of the regular Army, settled by rolls and returns prepared by officers thoroughly educated in their duties, and that but few changes were made in the pay, allowances, and emoluments of men and officers, while during the recent war the Army consisted chiefly of volunteers, that the rolls and returns were necessarily defective, and that the rates of compensation and the laws relating to bounties were frequently changed, it can easily be understood that many difficulties have attended the settlement of claims during the last nine years which were entirely unknown during the former period, and which imposed additional labor in their investigation and demanded a larger degree of vigilance, faithfulness, and care.

As very full memoranda accompany the tables, showing the condition of the business in charge of the several divisions of the office, I have not deemed it necessary to refer more particularly to either of them.

I am, sir, very respectfully,

E. B. FRENCH,
Auditor.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE THIRD AUDITOR.

TREASURY DEPARTMENT,
Third Auditor's Office, October 22, 1870.

SIR: In compliance with instructions from your office, and the requirements of law, I have the honor to transmit herewith the following report of the business operations of this office for the fiscal year ending June 30, 1870, and also for the first quarter of the fiscal year ending June 30, 1871.

BOOK-KEEPERS' DIVISION.

The duties devolving upon this division are, in general, to keep the appropriation and money accounts of the office.

Three sets of double-entry books are kept. Into the first are posted the accounts of disbursing officers and agents of the Quartermaster's and Engineer Departments of the Army, and the accounts of the various loyal States for expenses incurred during the late rebellion; the second contains the accounts of the Subsistence Department, Bureau of Refugees, Freedmen and Abandoned Lands, and pension agents of the Government; the third set relates to other appropriations made by Congress coming under the supervision of the Third Auditor.

In addition to the foregoing, debit and credit accounts are kept as follows: with the Second Comptroller, of all settlements referred to him for revision; and with the War and Interior Departments, of all reports forwarded to them for requisitions. From the books of this division are furnished the charges upon which are based the settlements of money accounts of the various disbursing officers of the Government. Here also is kept a complete record and fair copy of all requisitions passing through the office.

The annexed statement of the financial operations of the office during the fiscal year ending June 30, 1870, also for the first quarter of the current fiscal year, exhibits the amounts drawn on specific appropriations except those under direction of the Chief Engineer of the Army, which are aggregated and entered under the general heading, "Engineer Department." It also shows the repayments into the treasury for the same period.

The average number of clerks engaged in this division during the period embraced in this report has been eight, and that number now constitutes the active force of the division.

The number of requisitions drawn on the Secretary of the Treasury by the Secretaries of War and Interior for the fiscal year ending June 30, 1870, is 3,773, amounting to \$91,107,151 58, as follows:

On account of appropriations for Quartermaster's Department.....	\$13, 136, 534 61
Incidental expenses	5, 629, 227 71
Barracks and quarters	4, 440, 110 69
Army transportation	16, 127, 410 09
Horses for cavalry and artillery	4, 060, 814 89
Officers' transportation	505, 752 20
Heating and cooking stoves	19, 447 39
Clothing of the Army	5, 341, 532 80
Signal service	5, 139 43
Telegraph for military purposes	294, 556 35
National cemeteries	433, 965 54
Supplying, &c., prisoners of war	22, 570 16
Collecting, drilling, &c., volunteers	21 94
Gunboats on western rivers	8, 595 90
Maintenance of steam-rams	100 00
Pay and supplies of 100-day volunteers	1, 047 54
Minute men, Pennsylvania, Maryland, Ohio, Indiana, and Kentucky ..	2, 821 70
Purchase of clocks	38 00

Reimbursing Indiana, &c.....	\$477,276 07
Refunding expenses, &c., to the States	869,632 21
Capture of Jefferson Davis.....	80,783 12
Pay Washington and Oregon volunteers, 1855-'6.....	4,876 65
Services Washington and Oregon volunteers, 1855-'6.....	39,322 18
Act for the relief of Otis N. Cutler.....	50,000 00
Repairs of barracks, quarters, and hospitals at forts not occupied.....	9 60
Twenty per cent. extra compensation.....	650 54
Horses and other property lost in the military service, act March 3, 1849.....	232,797 84
Subsistence of the Army.....	4,856,651 38
Pensions, invalid.....	10,029,760 80
Pensions, widows and others.....	18,254,282 73
Support of Bureau of Refugees, Freedmen and Abandoned Lands.....	1,458,703 91
Commutation of rations to prisoners of war in rebel States.....	19,000 00
Relief of destitute people in the District of Columbia.....	22,500 00
Unclaimed pensions.....	161 86
Payment of tax on salaries, act March 2, 1867.....	3 33
Engineer Department.....	4,681,002 42
	<hr/> 91,107,151 58 <hr/>

Number of counter requisitions drawn on sundry persons in favor of the Treasurer of the United States during the fiscal year ending June 30, 1870, is 1,505, amounting to \$30,403,395 22, as follows:

On account of deposits.....	\$1,544,818 26
Second Auditor's drafts, (transfers).....	1,230,413 92
Third Auditor's drafts, (transfers).....	27,545,223 41
Fifth Auditor's drafts, (transfers).....	7 50
Commissioner of Customs' drafts, (transfers).....	242 50
Interior Department's drafts, (transfers).....	20,766 70
Navy Department's drafts, (transfers).....	1,600 00
Canceled requisitions.....	60,322 93
	<hr/> 30,403,395 22 <hr/>

NOTE.—The amount entered under the general head of "Engineer Department" embraces all the moneys disbursed under the direction of the Chief Engineer of the Army, and covers drafts on about one hundred and seventy-five specific appropriations, which, for economy of space, are here classed under the above general heading.

Report of business transacted in the Third Auditor's Office, United States Treasury, in the fiscal year ending June 30, 1870.

Description of accounts.	No. of accounts remaining on hand June 30, 1869.	No. of accounts received in year 1870.	Number of accounts settled in the year ending June 30, 1870.		Number of accounts unsettled June 30, 1870.	
	Monthly and quarterly.	Monthly and quarterly.	Monthly and quarterly.	Am't involved.	Monthly and quarterly.	Amount involved.
Quartermasters'..... Money.....	151	248	305	\$31,045,231 69	94	\$7,219,697 86
Quartermasters'..... Property.....	20,858	668	10,690		10,836	
Commissionaries'..... Money.....	1,299	3,263	2,850	6,982,931 13	1,712	1,920,838 97
Pension agents'..... do.....	637	714	631	25,596,876 39	720	36,838,535 73
Engineers'..... do.....	88	271	220	5,412,543 24	139	3,860,095 18
Ref. F. and A. L. do.....	53	82	73	1,419,821 41	64	1,879,071 47
Ref. F. and A. L. Property.....	36	368	372		38	
Signal Officers'..... Money.....	3	3	5	7,425 88	1	3,895 00
Signal Officers'..... Property.....	14	254	234		34	
Total.....	23,141	5,871	15,380	70,464,829 74	13,632	51,982,134 61
Claims for—						
Horses lost.....	5,898	381	748	\$194,838 43	5,331	\$665,019 22
Steamboats destroyed.....	78	10	15	269,393 21	73	740,964 34
Oregon war.....	663	112	131	52,422 51	850	83,866 26
Miscellaneous.....	4,115	1,655	1,729	2,945,522 06	4,041	2,833,027 76
State war.....	12	25	26	1,131,142 48	11	1,085,985 43
Total.....	10,966	2,189	2,649	4,563,318 69	10,306	6,337,723 21

QUARTERMASTERS' DIVISION.

The accounts of quartermasters cover a wide and varied range of disbursement and property accountability, embracing disbursements for barracks, quarters, hospitals, store-houses, offices, stables, storage and transportation of all army supplies, army clothing, camp and garrison equipage, the purchase of cavalry and artillery horses, fuel, forage, straw material for bedding, stationery, hired men, per diem to extra duty men, postage, expenses of courts-martial, of the pursuit and apprehension of deserters, of the burial of officers and soldiers, of hired escorts, of expresses, interpreters, spies and guides, of veterinary surgeons and medicines for horses, of supplying posts with water, and generally the proper and authorized expenses for the movements and operations of an army not expressly assigned to any other department. The "returns" are an account of the disposition made of all property paid for by the Quartermaster's Department, (except clothing, camp and garrison equipage, which are accounted for to the Second Auditor.)

The tabular statement herewith exhibits in a condensed form the result of the labors of the force employed in this division.

Unsettled money accounts remaining on hand June 30, 1869, 151 involving.....	\$30,110,017 02
Received during the year ending June 30, 1870, 248, involving.....	8,154,912 33
Total, 399, involving.....	38,264,929 35
Adjusted and reported to the Second Comptroller for revision, 395, involving.....	31,045,231 69
Leaving on hand unsettled June 30, 1870, 94, involving.....	7,219,697 66
Accounts adjusted during the year as above stated, 305, involving....	\$31,045,231 69
To which add the number of supplemental settlements made during the year, 1,052, involving.....	16,282,543 91
Making the aggregate number of money settlements during the year, 1,357, involving.....	47,327,775 60
Unsettled property returns on hand June 30, 1869.....	20,858 668
Property returns received during the year.....	668
Total number to be examined.....	21,526
Property returns examined during the year.....	10,690
Leaving on hand unsettled June 30, 1870.....	10,836
Property returns settled during the year as above stated.....	10,690
To which add the number of supplemental settlements of property returns....	2,509
Making the aggregate number of property settlements.....	13,280
Signal accounts remaining on hand June 30, 1869, 3, involving.....	\$4,664 09
Signal accounts received during the year, 3, involving.....	6,657 39
Total number of signal accounts, 6, involving.....	11,321 48
All of which have been adjusted.	
Signal returns on hand June 30, 1869.....	14
Signal returns received during the year.....	254
Making a total number to be settled.....	268
Total number settled.....	234
Leaving on hand unsettled June 30, 1870.....	34

RECAPITULATION.

	Money accounts.		Property returns.	Supplemental settlements.			Signal accounts.			Total.	
	No.	Amount involved.		Property.	Money.	Amount involved.	Property.	Money.	Amount involved.	No.	Amount involved.
On hand per last report, June 30, 1869.	151	\$30,110,017 02	20,838				14	3	\$4,664 09	21,626	\$30,114,681 11
Received during the year ending June 30, 1870.	248	8,154,912 33	668	2,570	1,052	\$16,282,543 91	254	3	6,637 39	4,795	94,444,113 63
Total.	399	38,264,929 35	21,526	2,570	1,052	16,282,543 91	268	6	11,321 48	25,821	54,558,794 74
Reported during the year.	305	31,045,231 69	10,690	2,570	1,052	16,282,543 91	234	6	11,321 48	14,857	47,330,097 08
Remaining unsettled June 30, 1870.	94	7,219,697 66	10,836				34			10,964	7,219,697 66
Total.	399	38,264,929 35	21,526	2,570	1,052	16,282,543 91	268	6	11,321 48	25,821	54,558,794 74

In obtaining this result, a vast amount of labor was required, as will appear from the following items, viz :

Number of vouchers examined during the year.....	1, 682, 107
Number of pages of differences and copy of same written.....	69, 144
Number of letters written.....	41, 049
Number of calls for charges against officers.....	10, 227
Number of pages of abstracts furnished.....	9, 600

Besides a large amount of miscellaneous work connected with the receiving, registering, filing, withdrawing, and forwarding of accounts, and preparing, registering, and filing of personal charges, transcribing registers, &c., which cannot well be exhibited in the tabular report. Through the section having in charge the collection of balances due the United States, 246 officers have been notified of the condition of their accounts, and in 144 cases the sureties of bonded officers have been notified when the officer himself neglected to settle his accounts; 4 cases have been reported to the Solicitor of the Treasury for suit; 330 officers, with an aggregate indebtedness against them of \$30,969,768 52, have not yet taken the necessary steps to obtain a settlement of their accounts.

It will be observed that the number of accounts and returns on hand June 30, 1869, was 21,026, and the number remaining on hand June 30, 1870, is 10,964; showing a reduction of the number on hand at the end of the fiscal year of 10,062; and, judging from the number of settlements made during the year, it would be reasonable to believe that all the accounts and returns could be settled during the incoming year. Such, however, is not the case, as it appears that the accounts of more than 5,000 officers, and the returns of more than 9,000 officers, are now in the incorrect files, awaiting "corrections" and "explanations," on which supplemental settlements can be based; and it is ascertained that more than 60,000 of the accounts and returns rendered during the late rebellion are yet in the Quartermaster General's Office awaiting the administrative scrutiny of that officer, prior to their transmission to this office for settlement.

It is believed that quite a large number of accounts and returns will be closed under the provisions of the act "to authorize the settlement of the accounts of officers of the Army and Navy," approved June 23, 1870.

By reason of the period which has intervened since the close of the war, increasingly great difficulty is experienced in obtaining the present address of those formerly officers of the army, in order to obtain the necessary data on which to base final settlements of accounts; and as officers who have in any way become accountable for public money or property cannot obtain the pay due them until a final settlement of their accounts has been reached, it will readily be perceived that the interests of the public service, as well as justice to those who, in the hour of their country's peril, rushed to the rescue, demand that all possible expedition should be used to obtain an early adjustment of all accounts growing out of the war. It would therefore appear to be desirable that quite as large a clerical force be employed in the adjustment of these accounts during the incoming year as has been employed during the year just closed.

The force now employed in the quartermasters' division is 130 clerks.

SUBSISTENCE DIVISION.

This division audits the accounts of all commissaries and acting commissaries of subsistence in the Army, whose duties are to purchase the provisions and stores necessary for the feeding of the Army, and see to their proper distribution. These commissaries render monthly money accounts, with proper vouchers, for disbursements of the funds intrusted

to them, together with a provision return and vouchers showing the disposition of provisions and stores purchased and received during each month. These accounts are received monthly through the office of the Commissary General of Subsistence, and are every six months (or oftener, if the officer ceases to disburse) examined and audited in this division, and the money accounts and vouchers, together with a certified statement of their condition, referred to the Second Comptroller of the Treasury for his decision thereon. Upon their receipt back from the Comptroller with the statement approved, the officers are then officially notified of the result of said examinations, and are called upon by this office to adjust or explain any omissions or errors that may have been discovered. The money and provision accounts, together with all vouchers and papers belonging thereto, are, after examination, placed in the settled files of this division for future reference, and remain permanently in the custody of this office.

There have been received and registered during the year 3,263 money accounts of officers disbursing in the Subsistence Department, involving the expenditure of \$7,497,015 75. During the same period, 2,850 accounts (containing 49,004 vouchers) were audited and reported to the Second Comptroller of the Treasury, involving the expenditure of \$6,982,931 13.

In connection with the above, there were received and registered during the year 2,799 provision returns; and within the same period 2,750 provision returns (containing 53,432 vouchers) were examined and adjusted. The total number of vouchers contained in the accounts examined was 102,436.

During the year 828 official letters have been written, 610 pages of differences written and copied, and 3,289 queries received and answered.

Average number of clerks engaged upon the division during the year, 7½.

	No. of accounts.	Amount in- volved.
Remaining on hand June 30, 1869.....	1,299	\$1,406,754 35
Received during the year ending June 30, 1870.....	3,263	7,497,015 75
Total.....	5,562	8,903,770 10
Audited and reported to Second Comptroller during the year.....	2,850	6,982,831 13
Remaining unsettled June 30, 1870.....	2,712	1,920,938 97
Provision returns on hand June 30, 1869.....		1,109
Provision returns received during the fiscal year.....		2,799
Total.....		3,901
Provision returns examined during the year.....		2,750
Provision returns remaining on hand June 30, 1870.....		1,151
Money accounts on hand June 30, 1869.....		1,299
Provision returns on hand June 30, 1869.....		1,102
		2,401
Money accounts received during the fiscal year.....		3,263
Provision returns received during the fiscal year.....		2,799
		6,062
Total.....		8,463
Money accounts audited during the fiscal year.....		2,850
Provision returns examined during the fiscal year.....		2,750
		5,600
Total accounts on hand June 30, 1870.....		2,863

ENGINEER DIVISION.

This division is employed in the examination of the accounts of engineer officers of, the Army and engineer agents, who, under the direction of the Chief Engineer of the Army, disburse moneys out of the various appropriations for public works, now 175 in number, made from time to time by Congress, and which may be classed under the following general heads, viz :

The purchase of sites and materials for, and the construction and repairs of, the various fortifications throughout the United States. Construction and repairs of roads, bridges, bridge-trains, &c., for armies in the field. Surveys on the Atlantic and Pacific coasts. Purchase of sites and materials for, and the construction of, sea-coast defenses. Examination and surveys of the northern and western lakes and rivers. Construction and repairs of breakwaters. Repairs and improvement of harbors, both on the sea and lake coasts. Improvement of rivers and purchase of snag and dredge-boats for the same. And in general all appropriations of a similar nature are disbursed under the direction of the Chief Engineer, and the accounts of the disbursing officers are examined and adjusted by this division. The average number of clerks employed in this division for the year ending June 30, 1870, was five.

The following statements show the transactions of this division since June 30, 1869 :

ACCOUNTS RECEIVED.

Months.	Period.		Amount involved.
	Quarters.	Months.	
July 1869	4	.....	\$250, 048 23
August 1869	37	.....	787, 965 89
September 1869	17	.....	199, 697 20
October 1869	20	.....	440, 167 31
November 1869	18	.....	325, 448 56
December 1869	16	4	916, 406 06
January 1870	20	.....	600, 646 44
February 1870	15	2	294, 355 80
March 1870	26	24	1, 504, 604 87
April 1870	15	.....	437, 485 81
May 1870	19	12	471, 739 44
June 1870	22	.....	856, 048 24
Total	229	42	7, 074, 623 85

BUSINESS TRANSACTED.

Months.	Period.		Amount involved.	Total credited.
	Quarters.	Months.		
July 1869	27	18	\$1, 247, 191 68	\$1, 380, 605 00
August 1869	20	27	1, 290, 461 68	1, 266, 840 54
September 1869	5	.....	65, 173 66	129, 409 00
October 1869	23	.....	729, 831 11	759, 229 62
November 1869	20	.....	560, 924 68	645, 491 04
December 1869	11	.....	103, 610 94	167, 599 10
January 1870	4	.....	20, 977 75	21, 342 76
February 1870	19	.....	826, 040 36	819, 360 40
March 1870	22	.....	202, 213 32	429, 570 08
April 1870	9	.....	76, 348 91	78, 858 25
May 1870	3	.....	75, 488 57	77, 486 75
June 1870	6	.....	116, 348 34	147, 111 19
Total	175	45	5, 404, 811 22	5, 913, 903 73

STATE WAR CLAIMS DIVISION.

The duties of this division embrace the settlement of all claims of the several States for costs, charges, and expenses properly incurred by them for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting its troops employed by the United States in aiding to suppress the recent insurrection against the United States under the various acts and resolutions of Congress relating thereto:

	Original accounts.		Suspended accounts.		Special settlements on suspended accounts.	
	No.	Amount.	No.	Amount.	No.	Amount allowed.
On hand June 30, 1869	19	\$1,095,454 06	99	\$5,301,672 45	.....	.....
Received during the fiscal year	25	1,707,641 22	.....	.....	.....	.....
Total	37	2,803,095 28	.....	.....	.....	.....
Reported during the fiscal year	26	1,108,069 21	.....	.....	38	\$267,253 39
On hand June 30, 1870	11	1,695,026 07	99	5,034,419 06	.....	.....

CLAIMS DIVISION.

This division is charged with the examination of all claims presented to this office except pension, back pay, and bounty land claims of the war of 1812, and claims by the several States for reimbursement of expenses incurred in raising troops.

Its duties embrace the settlement of claims of a miscellaneous character arising in the various branches of service in the War Department, growing out of the purchase or appropriation of supplies and stores for the army, the purchase, hire, or appropriation of water-craft, railroad stock, horses, wagons, and other means of transportation, the transportation contracts of the army, the occupation of real estate for camps, barracks, hospitals, fortifications, &c., the hire of employes, mileage, court-martial fees, traveling expenses, commutations, &c.; of claims under the act of March 2, 1861, growing out of the Oregon and Washington Indian war of 1855 and 1856, and other Indian war claims; of claims of various descriptions under special acts of Congress; of any claims not otherwise assigned by law.

The following statements show the business transacted by this division during the fiscal year ending June 30, 1870, and the condition of its business at the commencement and at the end thereof.

1.—Miscellaneous claims.

	No.	Amount claimed.	Amount allowed.
On hand July 1, 1869	4,115	* \$2,495,560 22	.....
Received during the year	1,635	† 3,302,969 60	.....
Total	5,750	5,798,549 82	.....
Disposed of during the year	1,729	‡ 2,645,522 00	\$2,124,183 61
On hand June 30, 1870	4,041	§ 2,653,027 76	.....

* This amount is the aggregate claimed in 2,935 cases, the amounts claimed in the others (1,180) not being stated.

† This amount is the aggregate claimed in 1,574 cases, the amounts claimed in the others (81) not being stated.

‡ This amount is the aggregate claimed in 1,677 cases, the amounts claimed in the others (32) not being stated.

§ This amount is the aggregate claimed in 2,832 cases, the amounts claimed in the others (1,208) not being stated.

There were 1,227 letters written relative to this class of claims during the year.

2.—*Lost vessels, &c., (Act March 3, 1849.)*

	No.	Amount claimed.	Amount allowed.
On hand July 1, 1869.....	78	\$798,801 86	.....
Received during the year.....	10	211,575 69	.....
Total.....	88	1,010,377 55	.....
Disposed of during the year.....	15	969,393 21	\$147,515 43
On hand June 30, 1870.....	73	740,984 34	.....

There were 75 letters written during the year relative to this class of claims.

3.—*Oregon and Washington Indian war claims.*

	No.	Amount claimed.	Amount allowed.
On hand July 1, 1869.....	863	* \$90,176 84	.....
Received during the year.....	118	† 44,175 03	.....
Total.....	981	134,351 87	.....
Disposed of during the year.....	131	‡ 50,685 51	\$41,584 15
On hand June 30, 1870.....	850	§ 83,666 36	.....

* This amount is the aggregate claimed in 441 cases, the amounts claimed in the others (422) not being stated.

† This amount is the aggregate claimed in 89 cases, the amounts claimed in the others (29) not being stated.

‡ This amount is the aggregate claimed in 91 cases, the amounts claimed in the others (40) not being stated.

§ This amount is the aggregate claimed in 439 cases, the amounts claimed in the others (411) not being stated.

There were 240 letters written during the year relative to this class of claims.

HORSE CLAIMS DIVISION.

The duties of this division embrace the auditing of claims, under the act of March 3, 1849, and its amendments, of claims for compensation for the loss of horses and equipage while in the military service of the United States by officers and enlisted men, and for the loss of horses, mules, oxen, wagons, sleighs, and harness while in the military service of the United States by impressment or contract.

The number of claims received and docketed during the year is 360, in which the aggregate amount claimed is \$62,903 36. The number settled and finally disposed of during the same period (including those received prior to as well as during the year) was 748, in which the aggregate amount claimed was \$194,553 43, and on which the aggregate amount allowed was \$67,891 20. There have been during the year 8,169 letters written, and 2,126 received and docketed. Three thousand nine hundred and sixty-seven claims have been examined and suspended, and 1,017 briefs made.

The following table presents the condition of the business of this division at the commencement and close of the year, as well as its progress through the year :

	No.	Amount.	No.	Amount.
Claims on hand June 30, 1869			5,898	\$1,093,351 59
Received during the year			360	62,903 36
Reconsidered during the year			21	3,503 50
Total			6,279	1,159,758 75
Claims allowed during the year	457	\$67,891 20		
Rejected on same		11,292 98		
Amount claimed		79,184 18		
Disallowed during the year	201	115,369 25		
Deduct as finally disposed of during the year			748	194,553 43
On hand unsettled July 1, 1870			5,531	965,205 32

PENSION DIVISION.

The duties devolving upon this division are keeping an account with each army pensioner of the United States, recording the name, rate, date of commencement, noting every increase, reduction, transfer, re-marriage, death, and expiration, whether by limitation under existing laws or on account of the disability having ceased. Also, keeping an account with each pension agent, (of whom there are 59,) charging him with all moneys advanced by the Government, under the several appropriations, to pay pensions; receive and register the accounts as sent each month direct to this office by the agents who have disbursed the money, and properly file them for settlement; examine each voucher and enter the payment made by the agent on the roll-book opposite the pensioner's name.

The number of pensioners on the rolls June 30, 1870, is as follows:

Revolutionary, act February 2, 1848	32
Revolutionary, act July 29, 1848	30
Revolutionary, act February 3, 1853	65
War 1812, Florida, Mexican, Indian, and other wars	1,256
War of the rebellion, invalid	86,157
War of the rebellion, widows	107,539

Making a total (not including children, who receive \$2 per month) 195,739

Amount drawn from the treasury to pay pensioners during the year ending June 30, 1870.

Invalids	\$10,029,760 80
Widows and others	18,254,282 73
Total	<u>28,284,043 53</u>

The following tabular statement shows the amount of business disposed of by the pension division during the year ending June 30, 1870:

	Number.	Amount involved.
Accounts on hand July 1, 1869	637	\$34,911,383 83
Accounts received during the year	714	97,743,219 82
Total	1,351	62,555,413 12
Accounts reported during the year	631	25,586,978 39
Accounts remaining unsettled June 30, 1870	720	36,968,434 73
Total	1,351	62,555,413 12

The accounts on file unsettled are divided as follows:

Accounts of 1858.....	60
Accounts of 1859.....	382
Accounts of 1870.....	278
Total.....	720

Pensions recorded, increased, changes made, including additional for children of \$2 per month.....	106, 131
Pensions transferred.....	7, 313
Pension vouchers examined.....	235, 621
Payments entered on roll-books.....	300, 106
Pages of difference and miscellaneous copies.....	2, 620
Letters received and registered.....	3, 049
Letters written.....	3, 320

Table exhibiting the amount paid at the several agencies to pensioners, the accounts of which were received during the year ending June 30, 1870.

State.	Agency.	Agent.	Invalid.	Widows.
Arkansas	Little Rock	J. W. Demby	\$11,701 94	\$103,063 09
Arkansas	Fert Gibson	N. Clapperton	1,445 48	14,377 20
California	Hartford	D. C. Rodman	123,400 27	401,224 14
California	San Francisco	H. C. Bennett	24,576 15	21,428 86
California	do	J. W. Shanklin	84 00	1 08
District of Columbia	Washington	Robert Clarke	1,521 16	9,652 31
District of Columbia	do	W. T. Collins	191,105 74	230,145 02
Delaware	Wilmington	E. D. Porter	22,017 45	41,893 98
Florida	Fort Wayne	Wm. Iddings	140,852 67	307,973 49
Indiana	Indianapolis	J. P. Wiggles	2,555 94	4,511 83
Indiana	do	C. W. Brown	452,256 51	828,155 40
Indiana	Madison	Mark Tilton	98,217 82	256,981 16
Illinois	Chicago	R. J. Sweet	365,151 22	400,860 12
Illinois	San Francisco	J. S. Martin	207,374 88	634,320 17
Illinois	Quincy	R. M. Proctor	151,629 00	276,341 56
Illinois	Springfield	William Jayne	214,800 49	411,005 91
Iowa	St. Charles	S. C. Taylor	74,544 89	173,099 97
Iowa	Fert Gibson	D. E. Wilson	114,996 15	235,247 21
Iowa	St. Charles	J. B. Young	105,249 84	279,824 10
Kansas	Topeka	C. B. Jones	72,984 67	114,873 61
Kentucky	Louisville	E. F. Gallacher	2,106 54	11,574 82
Kentucky	do	Samuel McKee	77,849 57	408,240 28
Kentucky	Lexington	A. H. Adams	54,656 57	286,167 34
Louisiana	New Orleans	F. J. Knapp	27,169 37	37,105 45
Maine	Augusta	H. Bowdoin	134,927 37	250,051 76
Maine	Bangor	Calvin Mayo	153,701 46	263,056 59
Maine	Portland	M. A. Blanchard	107,709 34	301,443 12
Massachusetts	Boston	G. C. Tutball	31,243 61	63,880 14
Massachusetts	do	C. A. Phelps	503,627 68	879,708 25
Massachusetts	Baltimore	H. Nelson	134,253 54	217,169 27
Michigan	Detroit	H. E. S. S.	11,401 00	57,722 50
Michigan	do	A. Kitchen	349,891 61	635,790 22
Michigan	Grand Rapids	T. F. Folsom	72,000 40	115,286 07
Minnesota	Minneapolis	J. T. Clements	57,897 91	270,647 50
Minnesota	St. Louis	James Leach	212,524 55	624,346 27
Minnesota	St. Paul	R. B. Calusha	46,414 88	74,461 28
Minnesota	do	H. C. Rogers	40,617 98	74,148 39
New Hampshire	Concord	David Cross	155,858 78	275,441 22
New Hampshire	Portsmouth	J. H. Shapley	1,019 50	1,393 47
New Hampshire	do	D. J. Vaughan	26,743 42	78,720 29
New York	Albany	S. H. Parsons	204,117 02	515,291 18
New York	Canandaigua	L. M. Terry	131,000 00	819,664 11
New York	New York City	G. M. Van Buren	3,211 81	7,668 67
New York	do	W. H. Lawrence		721,608 90
New York	Brooklyn	D. W. Haynes	81,175 75	188,976 88
New York	Trenton	J. F. Rindge	185,409 36	260,005 77
North Carolina	Raleigh	C. H. Belton	7,500 41	101,189 42
North Carolina	Quincy	E. A. Allen	1,126 06	1,310 61
North Carolina	do	S. S. Caldwell	8,019 56	11,741 37
New Mexico	Santa Fe	J. L. Collier	25 81	
New Mexico	do	E. W. Little	1,300 40	4,277 01
Ohio	Cincinnati	W. E. Davis	410,831 31	552,611 09
Ohio	Cleveland	L. Swift	114,643 15	290,078 33
Ohio	do	S. M. Barlow	103,002 16	171,000 96
Ohio	Columbus	J. A. Norris	251,549 83	541,742 16
Oregon	Oregon City	Henry Warren	2,231 71	3,794 41
Pennsylvania	Philadelphia	A. F. Davis	808,855 43	3,702 00
Pennsylvania	do	A. R. Calhoun		1,204,624 08
Pennsylvania	do	F. P. Brumister		190,047 09

Table exhibiting the amount paid at the several agencies to pensioners, &c.—Continued.

State.	Agency.	Agent.	Invalid	Widows.
Pennsylvania	Pittsburg	James McGregor	\$325, 221 88	\$572, 233 24
Rhode Island	Providence	W. H. Townsend	47, 315 44	106, 902 74
Tennessee	Knoxville	John Caldwell	8, 377 70	67, 359 32
Tennessee	do	D. T. Boynton	57, 170 58	440, 050 29
Tennessee	Nashville	W. J. Stokes	34, 333 13	199, 728 66
Vermont	Rutland	N. Kellogg	49, 415 21	88, 444 72
Vermont	Burlington	J. L. Barstow	37, 311 01	65, 920 46
Vermont	St. Johnsbury	E. C. Redington	60, 570 58	83, 418 49
Vermont	do	Stephen Thomas	48, 501 49	80, 058 99
Virginia	Richmond	J. T. Sutton, Jr.	15, 486 59	55, 463 14
West Virginia	Wheeling	J. M. Doddridge	135, 732 01	346, 744 43
Wisconsin	La Crosse	J. A. Kellogg	43, 649 52	111, 429 96
Wisconsin	Madison	Thomas Reynolds	79, 948 61	193, 543 91
Wisconsin	Milwaukee	M. H. Fitch	9, 195 49	28, 163 63
Wisconsin	do	E. Ferguson	162, 667 68	331, 208 65
Washington Territory	Vancouver	S. W. Brown	1, 602 92	68 66
			8, 963, 474 99	19, 164, 508 68

The force employed in this division during the year consisted of 22 clerks and 2 copyists.

BOUNTY LAND DIVISION.

During the year ending the 30th of June, 1870, 1,633 bounty land claims have been examined, under the several acts of Congress, and returned to the Commissioner of Pensions properly certified.

Sixteen invalid pension claims (war of 1812) have been reported to the Commissioner of Pensions for his action thereon.

Two hundred and fifty letters have been written on subjects relating to the wars of the revolution and 1812 and the subsequent wars for the suppression of Indian hostilities.

REFUGEES, FREEDMEN AND ABANDONED LANDS DIVISION.

The accounts of the agents and officers of the Bureau of Refugees, Freedmen and Abandoned Lands settled in this office are for moneys paid out by the agents and officers of the Bureau for stationery and printing, quarters and fuel, commissary stores and medical supplies, transportation, rents, repairs, and building of schools and asylums, and pay of superintendents of schools, clerks, agents, and officers of the Bureau, telegraphing and postage, and a few incidental expenses, such as the necessary employment of colored laborers, with a view to ameliorate their condition.

	Money accounts.		No. of property accounts
	No.	Amount.	
On hand June 30, 1869	55	\$963, 329 81	26
Received during the fiscal year	69	2, 638, 563 07	326
Total	124	3, 601, 892 88	352
Reported during the fiscal year	63	1, 419, 681 41	326
On hand June 30, 1870	54	1, 679, 671 47	26

REGISTRY DIVISION.

The duties of this division are to acknowledge, indorse, register, and file, or transmit, the money accounts, returns of internal revenue tax, and abstracts of money transferred, of all disbursing officers whose accounts are audited in this office; to see to their prompt rendition; to report delinquents to the Second Comptroller; and to answer all queries relative to the indebtedness of deceased, retired, and other officers.

During the fiscal year there have been received, acknowledged, indorsed, registered, and filed, or transmitted to the proper Bureaus of the War Department, 8,608 money accounts-current of disbursing officers, to wit: Commissaries, 3,823; quartermasters, 2,993; engineers, 1,068; pension, 737; Bureau of Refugees, Freedmen and Abandoned Lands, 87; returns of internal revenue tax, abstracts of money transferred by disbursing officers, and other miscellaneous papers received, acknowledged, indorsed, recorded, and filed, 4,525; letters received, 198; letters written to officers, 306; receipts for money transferred, recorded, 5,190; queries relative to the indebtedness of deceased, retired, and other officers answered, 3,308; disbursing officers reported to the Second Comptroller as delinquent in the rendition of their accounts, 220.

In addition to the foregoing report, showing the condition of the business of this office for the fiscal year ending June 30, 1870, I have the honor to subjoin a statement showing the condition of the business for the quarter ending September 30, 1870, as follows:

Description of accounts.	No. of accounts remaining on hand June 30, 1870.	No. of accounts received in quarter.	Number of accounts settled in quarter ending September 30, 1870.		Number of accounts unsettled September 30, 1870.	
	Monthly and quarterly.	Monthly and quarterly.	Monthly and quarterly.	Am't involved.	Monthly and quarterly.	Amount involved.
Quartermasters' Money	94	103	72	\$3,755,874 57	125	\$5,724,043 66
Quartermasters' Property	10,836	665	2,950		8,551	
Commissaries' Money	1,712	727	825	1,090,385 41	1,614	2,068,552 06
Pension agents' do	730	379	167	4,926,187 57	932	34,463,751 32
Engineers' do	139	77	94	3,307,311 00	121	2,123,840 78
Ref. F. and A. L. do	54	15	25	29,940 43	44	1,983,967 17
Ref. F. and A. L. Property	32				4	
Signal officers' Money	1	1			1	2,880 00
Signal officers' Property	34	158			192	
Total	13,622	2,125	4,133	13,109,609 03	11,584	46,366,041 89
Claims for—						
Horses lost	5,531	100	194	20,545 60	5,507	960,824 96
Steamboats destroyed	73		2	17,722 00	71	723,262 34
Oregon war	850	38	28	9,308 97	860	82,901 85
Miscellaneous	4,041	245	174	374,632 90	4,112	7,392,230 18
State war	11	1	3	266,319 84	9	1,430,185 95
Total	10,506	384	331	688,529 25	10,559	10,589,405 28

BOOK-KEEPERS' DIVISION.

The number of requisitions drawn on the Secretary of the Treasury by the Secretaries of War and Interior for the first quarter of the fiscal year ending June 30, 1871, is 542, amounting to \$17,558,894 28.

Quartermaster's Department..... \$1,154,648 30
Incidental expenses..... 343,529 92

Barracks and quarters.....	\$313,951 93
Army transportation	858,191 01
Officers' transportation	26,656 94
Cavalry and artillery horses	17,575 00
Purchase of stoves.....	105 90
Clothing of the Army	22,363 00
National cemeteries	12,695 42
Refunding expenses, &c., to the States	285,333 76
Claims, act March 3, 1849	17,546 86
Subsistence of the Army	429,248 04
Pensions, widows and others.....	7,121,827 41
Pensions, invalids	4,249,935 68
Bureau Refugees, Freedmen and Abandoned Lands	273,585 59
Relief of destitute people in the District of Columbia.....	7,500 00
Signal service.....	5,000 00
Pay of Washington and Oregon volunteers, 1855-'6	1,399 78
Services of Washington and Oregon volunteers, 1855-'6.....	8,254 53
Relief of Mrs. M. A. Laurie, act for.....	2,000 00
Relief of Mrs. M. Riddle, act for	2,000 00
Relief of William Selden, act for.....	5,000 00
Engineer Department	2,399,545 21
Total	<u>17,558,894 28</u>

Number of counter requisitions drawn on sundry persons in favor of the Treasurer of the United States during the first quarter of the fiscal year ending June 30, 1871, is 175, amounting to \$958,657 51.

On account of deposits.....	\$471,848 14
Second Auditor's drafts, (transfers).....	269,744 06
Third Auditor's drafts, (transfers)	215,129 03
Interior Department's drafts, (transfers).....	1,935 68
	<u>958,657 51</u>

QUARTERMASTERS' DIVISION.

	Money accounts.		Property returns.	Supplemental settlements.			Signal accounts.			Total.	
	No.	Am't involved.		Property.	Money.	Amount involved.	Property.	Money.	Amount involved.	No.	Am't involved.
On hand per report of June 30, 1873.	94	\$7,219,697 06	10,836				34	1	\$2,880 90	10,964	\$7,219,697 06
Received during the quarter ending September 30, 1870	103	2,260,230 57	665	534	338	\$2,531,088 80	138			1,799	4,794,190 57
Total	197	9,479,918 23	11,501	534	338	2,531,088 80	192	1	2,880 90	12,763	12,013,887 93
Reported during the quarter	72	3,755,874 57	2,850							3,894	6,288,963 37
Remaining unsettled September 30, 1870.	125	5,724,043 66	8,551	534	338	2,531,088 80	192	1	2,880 90	5,869	5,736,924 56
Total	197	9,479,918 23	11,501	534	338	2,531,088 80	192	1	2,880 90	12,763	12,013,887 93

COMMISSARY DIVISION.

During the quarter ending September 30, 1870, there were received and registered 727 money accounts, involving \$1,238,104 50, to which add 1,712 accounts, involving an expenditure of \$1,920,838 97 on hand June 30, 1870, making a total of 2,439 accounts, involving \$3,158,943 47, of which 825 accounts, involving \$1,090,385 41, were audited and reported to the Second Comptroller during the quarter, leaving unsettled 1,614 accounts, involving \$2,068,558 06, as recapitulated below:

	Accounts.	Amount involved,
Remainder unsettled June 30, 1870	1,712	\$1,920,838 97
Received during the quarter	727	1,238,104 50
Total	2,439	3,158,943 47
Audited during the quarter	825	1,090,385 41
Remainder on hand September 30, 1870	1,614	2,068,558 06
Provision returns on hand June 30, 1870		1,151
Provision returns received during the quarter		801
Total		1,952
Provision returns examined during the quarter		759
Provision returns remaining on hand September 30, 1870		1,193

Number of letters written during the quarter, 223; number of money vouchers examined, 10,636; number of provision vouchers examined, 10,325; total vouchers examined, 20,961.

PENSION DIVISION.

	Number.	Am't involved.
Accounts on hand July 1, 1870	750	\$36,858,536 73
Accounts received during the quarter	379	2,431,402 16
Total	1,099	39,289,938 89
Accounts reported during the quarter	167	4,936,187 57
Accounts remaining unsettled	932	34,353,751 32
Total	1,099	39,289,938 89

The accounts on file unsettled are divided as follows:

Accounts for 1868	36
Accounts for 1869	443
Accounts for 1870	453
Total	932

Amount drawn from the treasury to pay pensions during the first quarter of the fiscal year ending June 30, 1871.

Invalids	\$4,249,935 62
Widows and others	7,121,827 41
Total	11,371,763 09

Pensions recorded, including additional for children of \$2 per month.....	6,318
Pensions transferred.....	1,249
Pensions increased.....	1,162
Pensions dropped.....	443
Pension vouchers examined.....	111,870
Payments entered on roll-books.....	106,838
Pages of difference and miscellaneous copied.....	1,006
Letters received and registered.....	803
Letters written.....	852

During the first quarter of the fiscal year ending June 30, 1871, there have been added 10 clerks, making in all at the end of the first quarter 1871, 32 clerks and 2 copyists.

Since the end of the fiscal year 1870, Congress has changed the mode of paying pensions, (act July 8, 1870,) which nearly doubles the amount of labor to be performed in this division, and will require nearly double the force formerly employed. The present mode of paying pensions under the new law requires pensioners to be paid four times a year, instead of semi-annually as heretofore. The pension agent is required to furnish the pensioner a blank, which is to be executed, and duplicate receipts to be signed before a magistrate, and upon return of this to the agent he is required to send a check payable to the pensioner's order, direct to the address named in the voucher, thus entirely doing away with the practice and use of attorneys to collect the amount due.

During the short time this new pension law has been in operation, the effect has been wonderful; fewer complaints have been made in regard to frauds, and it would seem that the pensioners get more and the attorneys less of the amounts paid for the benefit of these wards of the Government. So far as I am able to learn from those interested, its operations meet with their approbation, and when it becomes fully understood the results will be better appreciated.

ENGINEERS' DIVISION.

Accounts received.

	Period.		Amount.
	Quarter.	Montha.	
July 1870.....	18	14	\$384,858 86
August 1870.....	28		163,753 45
September 1870.....	17		607,597 70
Total.....	63	14	1,356,210 01
Remaining on file September 30, 1870.....	120	1	2,122,840 78

Accounts adjusted.

	Period.		Amount involved.	Total credited.
	Quarter.	Montha.		
July 1870.....	14		\$313,094 61	\$1,616,073 44
August 1870.....	22	54	2,186,932 75	2,173,288 91
September 1870.....	4		807,283 64	807,433 29
Total.....	40	54	3,307,311 00	4,596,815 64

REFUGEES, FREEDMEN AND ABANDONED LANDS DIVISION.

	Moby accounts.		Number of property accounts.
	No.	Amount.	
On hand June 30, 1870.....	54	\$1, 879, 071 47	38
Received during the quarter.....	15	324, 536 18	79
Total.....	69	2, 203, 907 65	111
Reported during the quarter.....	25	219, 940 48	167
On hand September 30, 1870.....	44	1, 983, 967 17	4

CLAIMS DIVISION.

1.—Miscellaneous claims.

	No.	Amount claimed.	Amount allowed.
On hand July 1, 1870.....	4, 041	\$62, 853, 037 76	
Received during quarter.....	245	14, 913, 835 32	
Total.....	4, 286	7, 766, 863 04	
Disposed of during quarter.....	174	374, 632 90	\$396, 649 00
On hand September 30, 1870.....	4, 112	57, 392, 230 18	

* This amount is the aggregate claimed in 2,832 cases, the amounts claimed in the others (1,309) not being stated.

† This amount is the aggregate claimed in 217 cases, the amounts claimed in the others (27) not being stated.

‡ This amount is the aggregate claimed in 168 cases, the amounts claimed in the others (6) not being stated.

§ This amount is the aggregate claimed in 2,881 cases, the amounts claimed in the others (1,231) not being stated.

2.—Oregon and Washington Indian War claims.

	No.	Amount claimed.	Amount allowed.
On hand July 1, 1870.....	850	\$83, 666 36	
Received during quarter.....	38	18, 544 46	
Total.....	888	92, 210 82	
Disposed of during quarter.....	28	9, 508 97	\$8, 704 38
On hand September 30, 1870.....	860	\$82, 101 85	

* This amount is the aggregate claimed in 439 cases, the amounts claimed in the others (411) not being stated.

† This amount is the aggregate claimed in 26 cases, the amounts claimed in the others (12) not being stated.

‡ This amount is the aggregate claimed in 18 cases, the amounts claimed in the others (10) not being stated.

§ This amount is the aggregate claimed in 417 cases, the amounts claimed in the others (413) not being stated.

3.—Lost vessels, &c., (act March 3, 1849.)

	No.	Amount claimed.	Amount allowed.
On hand July 1, 1870.....	73	\$740, 984 34	
Received during quarter.....			
Total.....	73	740, 984 34	
Disposed of during quarter.....	2	17, 722 00	\$7, 222 22
On hand September 30, 1870.....	71	723, 262 34	

HORSE CLAIMS DIVISION.

The number of claims received and docketed during the quarter ending September 30, 1870, is 97, in which the aggregate amount claimed

is \$15,717 24. The number settled and finally disposed of during the same period (including those received prior to as well as during the quarter) was 124, in which the aggregate amount claimed was \$20,545 60, and on which the aggregate amount allowed was \$12,443 09. There have been during the quarter 1,712 letters written, and 502 received and docketed; 963 claims have been examined and suspended, and 157 briefs made.

The following table presents the condition of the business of this division at the commencement and close of the quarter, as well as its progress through the quarter:

	No.	Amount.	No.	Amount.
Claims on hand June 30, 1870			5,531	\$965,205 32
Received during the quarter			97	15,717 24
Reconsidered during the quarter			3	448 00
Total			5,631	981,370 56
Claims allowed during the quarter	87	\$12,443 09		
Rejected on same		1,824 00		
Amount claimed		14,267 09		
Disallowed during quarter	37	6,278 51		
Deduct as finally disposed of during the quarter			124	20,545 60
On hand unsettled October 1, 1870				960,824 96

BOUNTY LAND CLAIMS DIVISION.

Four hundred and sixty-one bounty-land claims were examined and properly certified to the Commissioner of Pensions; forty-five letters written on subjects connected with the division; two invalid pension claims reported to the Commissioner of Pensions for his action.

STATE WAR CLAIMS DIVISION.

	Original accounts.		Suspended accounts.		Special settlements on suspended accounts.	
	No.	Amount.	No.	Amount.	No.	Amount allowed.
On hand June 30, 1870	11	\$1,095,026 07	99	\$5,034,419 06		
Received during the quarter	1	1,479 72				
Total	12	1,096,505 79				
Reported during the quarter	3	266,319 84			2	\$168,965 00
On hand September 30, 1870	9	1,430,185 95	99	4,865,454 06	2	168,965 00

REGISTRY DIVISION.

There have been received, acknowledged, indorsed, registered, and filed 2,059 money accounts and accounts-current, to wit: 959 commissary; 646 quartermaster; 266 engineer; 173 pension; 13 Bureau of Refugees, Freedmen and Abandoned Lands. Returns of internal revenue tax, Abstracts B b, and other miscellaneous papers, received, acknowledged, recorded, and filed, 820. Letters received and filed, 45. Letters written to officers relative to the rendition of their accounts, 54. Receipts for money transferred by disbursing officers recorded, 712. Queries relative to the indebtedness of officers answered, 502. Disbursing officers, who have received United States funds by transfer and failed to account for the same within three months after their receipt, reported to the Second Comptroller, 171.

THE FILES.

An examination of the files of this office shows that the settlements from its organization in March, 1817, to the present time are contained in two rooms in the east front of the Treasury building, extending nearly through the whole length of it, an aggregate length of 264 feet by a width of 30 feet. At present the shelving capacity is equal to 13,200 lineal feet. An additional room on the third floor is now being fitted up with shelves for files, and, when completed, will afford 1,940 feet of shelving, or about one-seventh of the space now in use. The three rooms, it will be seen, contain nearly three miles of shelving, and it is estimated that the unsettled accounts and returns now in the office would completely fill the new room, the others being already filled. The pension accounts are now very large, comprising nearly 400,000 vouchers per annum, and under the new law will be about double that number, or 800,000 vouchers per annum. Up to January 1865, these accounts were separated from the others, and filed by States and agencies; since that date they have been kept in numerical order with the commissary accounts, with which they are numbered. I think it practicable, however, to separate pension accounts from the commissary accounts, and remove them to the new file room. The space thus cleared in the old rooms would probably suffice until the new room shall be filled with pension accounts yet to be settled. The rooms now used for files are very unsuitable for the purpose, especially for those which have to be constantly referred to; being immediately under the roof, and without any side windows. They are very cold in winter and intensely hot in summer, with scarcely any ventilation, and at all seasons very uncomfortable. As the skylights fail to afford sufficient light, the gas which we are compelled to use greatly intensifies the heat. It is suggested that only old accounts, or such as are seldom required to be examined, should be kept in these rooms.

The accounts for which additional shelving and space are required are constantly accumulating, every day adding to their number and bulk. I have stated above the space which they occupy; and their weight is estimated at 200,000 pounds, or 100 tons. The number and size of the accounts of quartermasters and commissaries of subsistence to be received in future cannot be computed with so near an approach to accuracy as the pension accounts; but it is safe to estimate that for the fiscal year ending June 30, 1871, besides the new room above mentioned, an additional space equal to a room of 50 feet by 15 feet will be required. It is probable that the space now being made available for files will be filled in six or eight months, after which it will be indispensable to have additional room, and timely steps should be taken to see that they are provided.

In the division of this Bureau for the auditing of claims filed under the provisions of the act of March 3, 1849, for the loss of horses, &c., while in the military service of the government, many just claims are rejected because they are not embraced in any of the classes specified. For example, there is no provision made for the payment of claims for the loss of horses ridden to death in carrying dispatches or on forced marches, in obedience to orders, or stolen while picketed, or killed while being transported on railways, or injured while being so transported, and abandoned in consequence of such injuries, or lost in consequence of other accidents, and many other losses that cannot well be specified in an act. These losses were incident to the service and occurred without any fault on the part of the owner.

I would suggest that the act be so amended that payment will be provided for all losses of horses that are incident to the service and without any negligence or fault on the part of the owner and when he was in the line of his duty.

I fully indorse and would again call attention to the recommendations of former Auditors as to the necessity of a statute of limitations to all claims against the government. Each succeeding year proves the urgent necessity of some act of this character which shall fix a period when litigation of such claims shall cease.

I would also renew the suggestion contained in the report of my immediate predecessor, (Hon. R. W. Clarke,) of the 15th October, 1869, as to the importance and necessity for the interests of the government of a law library for the use of the claims division of this Bureau, this to be made up of books needed in this division. I am satisfied that a small expenditure in this way would be of great benefit to the public service.

It was expected that the amount of business in the quartermasters' division would have been worked off by the end of the present year, so as to admit of a reduction in the clerical force of the Bureau, but I find that whatever reduction of force can be made in the quartermasters' division will be required in the pension division, in consequence of the act of Congress of July 8, 1870, which changes the method of paying pensions, making them payable quarterly instead of semi-annually, thus doubling the work of the pension division. On the 1st of August I transferred ten clerks from the quartermasters' to the pension division, and think it will be necessary to further increase the force employed in this division, which I propose doing by transferring clerks from other divisions where their services are not so necessary, and in this way avoid any increase in the general force of the Bureau.

It is but just to say that the clerks in this Bureau have generally been attentive to their duties, correct in their deportment, and useful and diligent in the work assigned them. During the fiscal year ending June 30, 1870, the female copyists have copied and compared 28,986 pages of manuscript; copied 7,445 and compared 7,500 letters; indexed 34,712 names; registered 672 money differences and 4,154 property differences. And during the quarter ending September 30, 1870, they have copied and compared 6,061 pages of manuscript; copied 1,266 letters; compared 2,686 letters; indexed 5,082 names; registered 179 money differences and 1,109 property differences. I deem it proper in this connection to ask attention to the fact that heads of divisions in this office who hold responsible positions do not receive the grade of salary to which their positions should entitle them. In some other Bureaus clerks who hold positions of similar grade and responsibility are paid far larger salaries. In this office heads of divisions are paid salaries of from \$1,600 to \$1,800, while in the office of the Treasurer of the United States heads of divisions are paid \$2,200. There is not, so far as I can see, any good reason why this discrepancy should exist, and I recommend that the salaries of heads of divisions in this office, upon whom devolve duties which require sound judgment, a knowledge of the laws, and a general acquaintance with governmental business, may be increased to a sum commensurate with the grave responsibilities which devolve upon them.

Respectfully submitted.

ALLAN RUTHERFORD,
Auditor.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE FOURTH AUDITOR.

TREASURY DEPARTMENT,
Fourth Auditor's Office, October 21, 1870.

SIR: I have the honor to submit for your consideration a synopsis of the operations of this office for the fiscal year ending the 30th of June, 1870.

The work of the clerical force of the office will be most conveniently noted and compared by setting it forth in a series of tables, one for each of the divisions; and such tables are accordingly presented in the following order:

I.—PAYMASTER'S DIVISION, WILLIAM CONARD, CHIEF.

Statement of accounts received and settled in the Paymaster's Division from July 1, 1869, to June 30, 1870, with the amount of cash disbursed in those settled, and the number of letters written in relation to the same, including marine, pension, and allotment accounts.

PAYMASTERS' AND MARINE ACCOUNTS.

Date.	Accounts received.	Accounts settled.	Letters written.	Cash disbursements.
1869.				
July	30	31	331	\$2,308,968 77
August	24	31	258	2,351,579 00
September	13	30	208	1,763,703 20
October	21	16	214	856,361 77
November	26	25	308	1,372,071 00
December	20	36	216	3,113,429 00
1870.				
January	37	33	254	1,009,174 00
February	21	18	270	1,357,744 00
March	24	36	280	2,431,667 00
April	32	31	240	4,414,000 00
May	23	32	228	1,063,400 00
June	23	40	163	3,183,000 00
Total	294	339	2,940	23,017,103 00

Number of unsettled accounts on hand July 1, 1869, 84; number of unsettled accounts on hand June 30, 1870, 19; average number of clerks employed in the division, 17; number of accounts of pensioners settled, 2,871; cash disbursements, \$374,076 53.

Statement showing the amount disbursed at the different pension agencies.

PENSION ACCOUNTS.

Location.	Invalid.	Widows and orphans.
Boston, Massachusetts	\$24,945 09	\$67,718 04
Philadelphia, Pennsylvania	15,552 19	52,715 00
Brooklyn, New York	23,486 01	43,152 00
Washington, District of Columbia	4,387 77	18,056 00
Baltimore, Maryland	3,189 88	7,358 00
Providence, Rhode Island	1,236 07	3,222 00
Pittsburg, Pennsylvania	1,516 67	4,840 00
Portsmouth, New Hampshire	4,331 81	6,250 00
St. Paul, Minnesota	684 54	540 00
Louisville, Kentucky	1,088 00	900 00
Trenton, New Jersey	612 43	4,800 00
Richmond, Virginia	1,046 56	8,017 00
New Orleans, Louisiana	1,283 75	9,028 00
Cincinnati, Ohio	6,450 88	11,017 00
Milwaukee, Wisconsin	1,750 67	2,100 00
St. Louis, Missouri	1,057 00	2,100 00
Portland, Maine	6,417 77	11,071 00
Hartford, Connecticut	848 67	2,000 00
Chicago, Illinois	4,365 24	3,100 00
Detroit, Michigan	964 81	3,500 00
San Francisco, California	987 15	2,000 00
Total	110,084 28	363,200 00

Statement of amount disbursed at different pension agencies—Continued.

ALLOTMENT ACCOUNTS.

Date.	Allotments registered.	Allotments discontinued.
1869.		
July	69	267
August	46	110
September	19	97
October	61	64
November	128	93
December	50	51
1870.		
January	31	100
February	99	97
March	10	65
April	141	50
May	94	42
June	14	41
Total	863	1,077

Statement of unexpired and unreported allotments on the Fourth Auditor's books, with places where payable.

New York	270	Portsmouth	9
Boston	226	Norfolk	28
Philadelphia	173	San Francisco	16
Washington	58		
Baltimore	35	Total	821

Of the above there were registered in 1867	18
Of the above there were registered in 1868	52
Of the above there were registered in 1869	238
Of the above there were registered in 1870	513
Total	821

II.—RECORD DIVISION, CHARLES COOK, CHIEF.

Statement of the correspondence of the Fourth Auditor's Office for the fiscal year ended June 30, 1870, and the work of the Record Division.

Date.	Letters received.	Letters written.	Letters recorded.	Letters filed.	Letters referred to other B. caus.	Letters indexed.	Names indexed and double-indexed.	Number of reported accounts recorded and indexed.	Licenses registered.	Dead letters registered.	Letters written by record division.
1869.											
July	1,474	1,766	1,804	1,166	10	8,114	14,392	56	18	12	36
August	1,262	1,550	1,323	830	10	5,639	10,362	71	5	13	114
September	1,085	1,827	1,687	739	12	5,439	11,518	5	5	16	42
October	1,224	2,004	1,418	888	9	4,071	10,173	45	5	25	49
November	1,352	1,968	1,762	968	16	8,068	13,979	267	8	37	61
December	1,302	1,740	1,743	834	6	9,377	17,696	51	7	29	93
1870.											
January	1,318	1,922	2,231	1,025	8	11,750	20,934	108	4	33	100
February	1,261	1,677	1,860	913	12	10,421	19,707	89	3	29	109
March	1,393	1,770	2,153	990	5	11,237	20,836	63	5	32	111
April	1,340	2,055	1,747	872	9	10,412	20,317	210	46	16	563
May	1,335	1,483	1,644	784	9	6,321	11,338	183	16	15	287
June	1,214	1,893	1,664	837	11	7,699	15,740	33	33	15	146
Total	15,520	21,655	21,036	10,836	117	98,638	186,912	900	322	272	1,711

Average number of clerks employed in record division during the year, 94.

III.—PRIZE MONEY DIVISION, S. M. B. SERVOS, CHIEF.

Statement of work performed by the Prize Money Division during the fiscal year ending June 30, 1870.

Date.	Prize lists.			Letters.		Claims.		Prize money.
	Number of prize lists received.	Number of prize lists made up.	Amount of prize money for distribution.	Number of letters received.	Number of letters written.	Number of claims received.	Number of claims settled.	Amount of prize money paid.
1869.								
July	3	3	\$11,362 17	475	645	100	68	\$11,361 58
August	2	1	2,675 35	409	484	1,341	1,273	22,323 15
September				328	943	487	470	27,656 74
October				357	1,154	515	497	14,156 35
November	24			387	895	521	460	12,145 32
December	4	1	1,578 01	377	783	545	537	5,158 77
1870.								
January	5	1	18,667 96	364	785	576	522	8,097 64
February	5	6	11,469 16	318	626	366	345	10,256 76
March	5	5	4,312 24	392	692	275	475	13,421 74
April				323	705	45	37	12,000 44
May				253	313	168	141	7,522 66
June	14			300	783	250	252	12,628 35
Total	62	17	50,364 10	4,273	8,712	5,198	5,067	159,546 27

Average number of clerks employed, 34.

IV.—GENERAL CLAIM DIVISION, A. C. ADAMSON, CHIEF.

Annual report of the General Claim Division for the fiscal year ending June 30, 1870.

Date.	Claims received.	Claims settled.	Amount involved.	Letters written.	Number of reports on applications for pensions.	Number of reports on applications for bounty land.	Number of reports on applications for admissions to Naval Asylum.
On hand July 1, 1869	163						
July	154	130	\$10,349 40	540	36	5	
August	141	117	10,019 56	511	16	2	
September	134	122	8,544 22	460	19	1	3
October	147	109	10,052 60	512	12	1	1
November	164	121	12,118 66	531	30	2	2
December	144	166	16,275 02	450	19		1
1870.							
January	106	202	28,995 06	566	15	1	4
February	133	145	13,117 18	514	14	1	1
March	150	145	10,435 19	587	21	4	
April	179	90	17,430 44	485	17	3	1
May	183	179	30,576 64	513	10	6	
June	129	156	32,760 90	638	15	4	1
Total	2,026	1,772	200,592 67	6,307	211	30	14

Average number of clerks, 7.

V.—NAVY AGENT'S DIVISION, WILLIAM F. STIDHAM, CHIEF.

Annual report of the Navy Agent's Division for the fiscal year ending June 30, 1870.

Date.	Accounts received.	Accounts settled.	Amount involved.	Letters written.	Letters received.
1869.					
July.....	68	63	\$195,408 01	24	20
August.....	59	55	1,567,709 38	25	23
September.....	32	33	1,032,950 64	24	21
October.....	25	21	332,301 34	20	31
November.....	30	30	269,373 94	20	21
December.....	39	40	230,726 35	23	24
1870.					
January.....	62	61	350,485 78	30	21
February.....	55	53	412,727 06	25	19
March.....	63	65	3,498,877 79	24	54
April.....	60	61	1,183,370 88	27	35
May.....	29	29	968,645 30	20	18
June.....	18	23	2,030,816 27	21	23
Total.....	538	538	12,805,401 74	283	310

Statement of amount paid by navy agents for allotments during the year 1869.

New York.....	\$53,547 00
Boston.....	36,691 00
Philadelphia.....	39,267 50
Washington.....	18,554 00
Baltimore.....	10,777 00
Portsmouth.....	6,432 50
San Francisco.....	2,888 00
Total.....	168,157 00

Accounts remaining on hand June 30, 1870, none;* average number of clerks employed, 4½; number of vouchers examined, 29,335.

VI.—BOOKKEEPER'S DIVISION, PARIS H. FOLSOM, CHIEF.

Statement of the work performed in the Bookkeeper's Division for the fiscal year ending June 30, 1870.

Date.	Letters received.	Letters written.	Internal revenue returned.	Hospital fund returned.	Cash pay requisitions.		Cash repay requisitions.	
					No.	Amount.	No.	Amount.
1869.								
July.....	79	190			124	\$2,066,160 72	1	\$210,000 00
August.....	46	154			124	1,929,443 61	30	305,972 87
September.....	36	150	\$65,172 37½	\$15,628 69½	125	2,306,712 27	8	5,376 60
October.....	78	155			149	2,389,981 52	5	5,835 72
November.....	77	153			132	1,862,618 71	1	101,000 00
December.....	87	175			115	2,011,651 53	60	252,321 34
1870.								
January.....	107	178			105	3,036,910 80	32	497,122 05
February.....	117	133			105	1,345,105 19	32	120,808 43
March.....	100	128	106,921 67½	30,464 34½	107	1,703,652 27	17	200,467 39
April.....	62	15			124	1,391,863 54	31	450,600 83
May.....	93	122			125	2,214,502 85	34	145,618 57
June.....	118	142	70,921 84½	17,543 78½	130	1,608,870 44	15	9,355 10
Total.....	1,090	1,693	245,015 22½	63,636 81	1,474	23,886,493 45	266	2,313,479 90

Average number of clerks employed, 3.

* Although the above statement shows that there were no accounts remaining on hand in the navy agent's division June 30, 1870, it is proper to state that there are a large number of *personal* and other accounts standing open on the ledgers. These accounts are not charged as *received* until they are taken up and adjusted.

† For the third quarter of 1869.

‡ For the second quarter of 1870.

§ For the fourth quarter of 1869, and the first quarter of 1870.

VII.—DISBURSEMENT AND MISCELLANEOUS DIVISION, B. P. DAVIS IN CHARGE.

Statement of work performed during the fiscal year ending June 30, 1870.

Number of letters written	937
Number of dead letters registered	272
Number of licenses registered	322
Number of checks against accounts ordered	256

In addition to the above, Mr. Davis has made up the various statements and reports called for by Congress and the Secretary of the Treasury; kept the record of appointments, resignations, removals, and absences; received and distributed the stationery used by the office; and discharged the duties of disbursing clerk.

An inspection of these tables will show a gratifying amount of work performed during the last fiscal year, in proportion to the number of clerks employed, notwithstanding an unusual degree of sickness which has prevailed.

For the purposes of economy and dispatch of business, as the accumulation occasioned by the war rendered such a step feasible, the allotment division and the pension and marine division have been consolidated with the paymaster's division.

The unadjusted balances of nearly four millions of dollars which I mentioned in my annual report of last year, and which had been gradually accumulating for half a century, have now been definitely transferred to proper ledgers, and many of them collected. Their reimbursement to the government will be sought with all possible diligence and promptitude.

During the year I have opened an "appropriation adjustment" account, which has met with much approbation. In consequence of disbursing officers being on a cruise, or at a foreign station, they are frequently compelled to expend the money drawn from one appropriation for the benefit of some other. The general purpose of this account, and its chief practical feature, is that at any moment when it may be required the liabilities between appropriations thus arising can at once be shown. The manner of consolidating into one account the balances which were before left open in each account settled not only facilitates the giving all desirable information, but makes a great saving of time in the various offices of the departments through which transfer requisitions pass.

The cases of the delinquent navy paymasters and navy agents to which I adverted last year have, in as many instances as possible, been brought to a conclusion so far as this office is concerned, and the accounts duly made up for suit placed in the hands of the Solicitor of the Treasury Department. In addition to these civil suits against these paymasters, the Navy Department is also trying them by court-martial as criminals. In alluding to these officers again, and as a degree of newspaper notoriety has been given to the defalcations mentioned, I take pleasure in renewing the tribute of praise I have heretofore paid to the paymasters of the Navy as a class, and testify to their ability and integrity, their courtesy as gentlemen, and their efficiency as officers. The settlements of their accounts, which I am constantly making, justify this indorsement; and it is probably a fact, that no set of disbursing officers in any country, or under any circumstances, have expended so much money with more correctness or less loss to the Government than the navy paymasters.

It is not the less true, however, that defalcations have occurred and instances of dishonesty taken place. These facts have led me to re-ex-

amine the established and current methods of keeping accounts, to institute new modes, and to devise increased means of holding disbursing officers to a more frequent and more stringent accountability. The same thing has been done in regard to the payment of allotments, and to prevent frauds in reference to them.

The very large sums of money which are frequently and necessarily intrusted to paymasters of the Navy was mentioned by me in my last annual report, and I recommended Congress to consider the amount of bonds which should be required by the Government. At present assistant paymasters give bonds in the amount of \$10,000, passed assistant paymasters in the sum of \$15,000, and paymasters in the sum of \$25,000. There is no month of the year, probably, in which requisitions do not pass this office putting into the hands of these various paymasters, with their varying amounts of bond, sums between \$50,000 and \$150,000.

The files, correspondence, and work of the office are all in a most satisfactory state. Facility of reference and convenience of operation are thoroughly established. The work is essentially brought up to the current business, and I am consequently, in most instances, enabled to dispatch it as it arises.

It gives me pleasure to speak in terms of just and cordial commendation of the competent and gentlemanly clerks who compose this office. Their attention to their work, their accord with each other, their courtesy of deportment, and their dispatch of their duties, are worthy of high praise. The various chiefs of divisions have all acquitted themselves to my entire satisfaction; and my able and efficient chief clerk, William B. Moore, esq., during the past year, as during the time before, has proved himself invaluable.

With the highest esteem, I have the honor to be, very respectfully,
your obedient servant,

STEPHEN J. W. TABOR,
Auditor.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE FIFTH AUDITOR.

TREASURY DEPARTMENT,
Fifth Auditor's Office, October 16, 1870.

SIR: I have the honor to here submit to you the report of the operations of this office for the fiscal year ending June 30, 1870.

I am compelled to omit a statement of the expenses of assessing and collecting the internal revenue for said fiscal year in consequence of a portion of the accounts not having reached here. The same cause prevented the appearance in my last annual report of the table for the fiscal year ending June 30, 1869, which is now included in this report.

The amount of official fees collected by our consuls, notwithstanding the European war, continues to be very satisfactory. I am constrained to again invite attention to the inadequacy of the compensation of consuls. It would inure greatly to the benefit of the Government were a number of the consulates, where little or no business is done, discontinued, and a more liberal allowance made to many of the others. The irregularities in the matter of disbursements for the relief of desti-

tute American seamen still continue, as they undoubtedly will until broken up by personal investigation and prompt detection by agents sent out, who, by reason of diplomatic or consular experience, or familiarity with the manner of keeping the accounts at the seat of Government, are qualified for the task. This office is the medium through which the State Department delivers assets and effects of naturalized and native American citizens, dying abroad, to their heirs. Complaint is from time to time made of the excessive cost of administering abroad upon these estates, the property of the decedents in many instances being but little. This subject also requires the attention of efficient consular agents.

During the past year I have been so strongly impressed with the inconvenience of the present system of holding the outgoing collector responsible for the tax lists delivered to his successor that I take the liberty to respectfully repeat in substance what I said in my last report upon that subject. Upon the appointment of a new revenue collector, under the law as it now stands, the uncollected tax lists are delivered to the incoming collector, but he is not charged with them, or held responsible by the Government for them. The outgoing collector has already been charged with them, and the Government continues to hold him and his bondsmen for the amount, until voluntarily accounted for by the new collector. Millions of dollars are annually involved in this condition. The system is wrong in principle, and works badly in every way. The new collector, having large lists in his possession with which he is not charged, can, if he chooses, in the first months of his administration, deposit enough to keep the United States in debt to him, as far as the books show, and still retain large sums in his possession. Not being held accountable for these old lists, he has not sufficient motive to pay over promptly, or for collecting the scattered and difficult portions, or having the worthless items abated and closed out. Large amounts stand charged to the ex-collector long after they should have been accounted for. The injustice of holding the ex-collector and his sureties responsible for tax lists delivered by him to his successor, and over which he has no control or authority whatever, must be apparent. Each retiring collector *appears* to be largely in debt to the United States. The accounting officers cannot determine how much of this indebtedness is real, and how much nominal, until these old lists are closed, and voluntarily accounted for by each successor, which is usually years after, and sometimes never. If the indebtedness is real it gives the retiring collector and his bondsmen plenty of time to dispose of their property, if so inclined, before the United States officers can proceed against them. Besides, the bondsmen may be released by laches. Any amount found due the retiring collector for compensation or expenses is necessarily withheld until the tax lists charged against him are accounted for; and where the indebtedness proves to have been only nominal, the withholding of the pay for years is unjust. These evils can be remedied by a provision in the law to the following effect: "When a collector has been appointed and qualified, all the lists of uncollected taxes of the district shall be delivered and charged to him. His receipt for said lists shall be sufficient to authorize the accounting officers of the treasury to carry the amount to the credit of the ex-collector from whom received, but such credit shall not discharge said ex-collector, or his sureties, from any liability incurred before or at the delivery of said tax lists." The language of such a provision should be such as to hold the retiring collector and his sureties responsible for any loss that may accrue, by his failure to collect at the proper time, or perform his duty in any manner, *before*

he delivers the lists, and for any sums that may have been collected and not credited, notwithstanding the credit for the transfer. This transfer releases him and his sureties from any accountability for what may happen to the lists after their delivery to his successor. The present law is inoperative, for the reason that the Commissioner cannot make the certificate required. If the plan here suggested, or one similar to it, could be adopted, the books and reports of the accounting officers would show a much more reputable condition of accounts so far as the retiring officers of the internal revenue throughout the country are concerned.

The amount collected under the internal revenue laws for the year ending on the 30th of June, 1869, was one hundred and thirty-nine million seven hundred and seven thousand four hundred and seventy-three dollars and twenty cents, (\$139,707,473 20.) For the year ending June 30, 1870, the collections sum up one hundred and eighty-five million two hundred and thirty-five thousand eight hundred and sixty-seven dollars and ninety-seven cents, (\$185,235,867 97.) This last-mentioned amount exceeds that of any other year, and, as will be seen, is in excess of the last preceding fiscal year forty-five million five hundred and twenty-eight thousand three hundred and ninety-four dollars and seventy-seven cents, (\$45,528,394 77.) This handsome increase in the collections of the revenues is undoubtedly to be attributed mainly to the integrity and increased vigilance of the present revenue officers of the Government, whose care and industry in the several districts is a source of gratification and pride to those of us making up the record of the year.

The accounts of collectors and assessors, after their reference to this office by the Commissioner of Internal Revenue, have been adjusted more promptly since the 1st of July last than ever before since our internal revenue laws went into effect, thus enabling these officers and their assistants to receive their compensation with less delay. This I attribute to the previous much-needed increase of force which Congress granted this office from the last-mentioned date, and to the close and studious application of that part of the employés of the office having to do with these accounts. I am also pleased to report that those having the work of the diplomatic and consular and other divisions of the office have proved themselves efficient and worthy of the trusts confided to them.

The entire number of accounts settled during the year is 11,986, and the amounts involved therein \$698,378,006 88. The number of letters written is 7,256.

I am, very respectfully,

HENRY D. BARRON,
Auditor.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE SIXTH AUDITOR.

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST OFFICE DEPARTMENT,
Washington, October 22, 1870.

SIR: In accordance with the uniform custom of this office, I respectfully submit the subjoined statement of the clerical labors performed in this Bureau during the past fiscal year.

The forthcoming annual report of this office to the Postmaster General will exhibit in detail all that pertains to the financial transactions of the Post Office Department.

SUMMARY OF PRINCIPAL LABORS.

The postal accounts between the United States and the foreign governments have been promptly and satisfactorily adjusted to the latest period. 31,852 corrected quarterly accounts of postmasters have been examined, copied, re-settled, and mailed; 105,734 accounts of postmasters have been examined, adjusted, and registered; 205,761 letters were received, endorsed and properly disposed of, 284 of which contained the amount of \$4,989 19, which has been deposited with the Treasurer of the United States to the credit of those remitting the same; 122,270 letters were answered, recorded, and mailed; 15,378 drafts were issued to mail contractors and others; 5,150 warrants were issued to mail contractors and others; 4,690 certificates of deposits made by postmasters with other postmasters were examined and registered, amounting in aggregate to \$648,181 20.

The number of folio-post pages of correspondence recorded, viz: 2,582 pages in collection book; 226 pages in report book; 1,474 pages in miscellaneous book.

MONEY ORDER DIVISION.

Eighty-seven thousand six hundred and twenty money order accounts have been settled, involving the amount of \$62,928,206 52; 1,374 letters relating to money-order affairs were written, copied, and mailed.

PAY DIVISION.

Twenty-four thousand nine hundred and eighty-one mail contractors' accounts were adjusted and reported for payment; 87,773 collection orders were transmitted to mail contractors; 349 miscellaneous accounts were audited and reported for payment; 447 special agents' accounts were audited and reported for payment; 5,365 letter carriers' accounts were settled; 6,000 special mail carriers' accounts were settled; 9,000 mail messengers' accounts were settled; 4,732 accounts of railway postal clerks, route agents, local mail agents, and baggage-masters were settled; 76 accounts of attorneys, marshals, and clerks of the United States courts were reported for payment; \$385,193 95 was collected from special and mail messenger offices; \$2,383,894 10 aggregate amount of drafts issued to mail contractors and others; \$8,857,203 92 aggregate amount of warrants issued to mail contractors and others; \$2,681,560 86 was received of postmasters, by mail contractors, on collection orders; \$1,231,340 68 was paid to letter carriers; \$66,571 80 was paid for advertising.

COLLECTION DIVISION.

The collection division has had charge of the following numbers of accounts, viz: 28,492 accounts of present postmasters; 8,061 accounts of postmasters who had become late; \$25,684 44 was collected from mail contractors, by collection drafts, for over-collections made by them from postmasters; \$74,978 12, amount of internal revenue tax received by postmasters, and amounts withheld from other persons, paid to the Treasurer of the United States; 126 suits were instituted for the recovery of balances due the United States, amounting to the sum of

\$146,586 43; 170 judgments were obtained in favor of the United States.

In addition, many duties of an important character have been discharged, requiring much time and labor, which it would not be practicable to particularize in this report.

I have the honor to be, sir, very respectfully,

J. J. MARTIN,
Auditor.

Hon. GEO. S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE TREASURER.

TREASURY OF THE UNITED STATES,
Washington, November 1, 1870.

SIR: In compliance with the requirements of statutory law and departmental regulations, the following statements of receipts and expenditures, into and out of the treasury of the United States, for the year ending with the 30th day of June, in the year 1870, are most respectfully submitted:

The statements and tables exhibit, under appropriate heads, not only the business transactions of the principal office located at the seat of the Government, but of all other offices connected with the treasury of the United States; comprising the offices of all the assistant treasurers, all the officers designated as depositaries, and all national banks that have been designated as depositaries by or through which any moneys belonging to the treasury of the United States have been received or disbursed, and the balance of any such moneys remaining with each, on the day aforesaid.

Other tables and statements exhibit the movement of the treasury of the United States in former fiscal years, as compared with the one that ended with June 30, 1870. Some of these statements are brought down to the date hereof, and are so stated to be.

Attention is most respectfully invited, among other suggestions, to the one in regard to the present inadequate pay of the *personnel* of the office, and what will be required in this regard for its safe and efficient conduct in the future.

The books of the office were closed as of June 30, 1870, after the entry therein of all moneys received and disbursed on authorized warrants within the fiscal year closing with that date, as follows:

Cash, Dr.

Balance in treasury from last year.....		\$155,680,340.85
Received from loans.....	\$285,474,826 00	
Received from internal revenue.....	184,899,756 49	
Received from customs.....	194,538,374 44	
Received from lands.....	3,350,481 76	
Received from War.....	69,476,490 63	
Received from Navy.....	5,712,733 12	
Received from Interior.....	685,488 01	
Miscellaneous.....	30,326,279 56	
Total receipts for fiscal year.....		774,464,430 01
Total.....		930,144,770 86

<i>Cash, Cr.</i>	
Paid on account of public debt.....	\$539, 017, 629 80
Paid on account of the Army.....	127, 132, 166 03
Paid on account of the Navy.....	27, 492, 962 99
Paid on account of Interior.....	32, 433, 628 33
Paid on account of Treasury proper.....	22, 478, 035 89
Paid on account of customs.....	14, 593, 394 30
Paid on account of Treasury Interior.....	5, 450, 313 82
Paid on account of internal revenue.....	9, 092, 814 79
Paid on account of diplomatic.....	1, 511, 511 76
Paid on account of quarterly salaries.....	499, 525 01
Paid on account of War (civil branch).....	940, 286 54
Balance in treasury.....	149, 502, 471 00
Total	930, 144, 770 86

The *receipts*, as stated in the foregoing table, were carried into the treasury by 11,800 covering warrants, which is an increase of 808 over the preceding year, and of 1,708 over the year before that.

The *payments* were made on 25,304 authorized warrants, for the payment of which there were issued 25,954 drafts drawn on the treasury, and the various branches thereof. In both of these two last-named items there was a falling off from the numbers issued in the year preceding.

The two foregoing tables show: the first, the cash on hand at the commencement of the fiscal year, and the various amounts that were received and covered into the treasury by warrants issued and entered upon the books of the office for the fiscal year, including payments, repayments, and counter-warrants; and the second, such amounts as were paid out on warrants, including corresponding amounts transferred by counter-warrants, and such payments that were repaid as are included in the first table; and also the balance of cash on hand at the close of the fiscal year.

These payments and repayments, and transfers by counter-warrants equal to each other, and in most cases representing the same moneys, help to swell the aggregate amount of both sides of the ledger beyond the actual receipts and disbursements. So, too, they may contain warrants issued within the then current fiscal year; but the moneys that they represent may have been received in the preceding or the succeeding fiscal year.

The tables, therefore, do not show the precise amounts received or disbursed within the fiscal year, commencing with July 1, 1869, and ending with June 30, 1870.

Transfers are sometimes made from one appropriation to another by warrants and counter-warrants of sums of money, equal in the amounts, in the detail, and in the aggregate. All such sums of moneys were technically carried out of and replaced in the treasury, and thus enter into both sides of the warrant ledger account, and appear therein both as receipts and as expenditures.

Moneys received from sales of stores, ships, materials of war, and other property no longer needed for the public service, have in like manner been covered into the treasury.

The foregoing amounts include counter-warrants and repayment of moneys unexpended:

The counter-warrants amount to.....	\$69, 656, 384 84
The amount returned from sales and unused money to.....	8, 074, 071 51
Total	77, 734, 456 35

The counter-warrants were issued on account of the—

Army.....	\$65,079,261 73
Navy.....	3,400,019 93
Interior.....	60,831 12
Internal revenue.....	15,859 93
Customs.....	11,430 96
Lands.....	1,055 13
Miscellaneous.....	1,087,926 04
Total.....	69,656,384 84

With the corrections of deducting all the items of payments and repayments, and of counter-warrants from both sides of the book account, the true receipts and payments would then stand as follows:

ACTUAL RECEIPTS.

(As per warrants, less counter-warrants.)

On account of loans.....	\$285,474,826 00
On account of internal revenue.....	184,883,896 56
On account of miscellaneous sources.....	29,238,353 52
On account of lands.....	3,349,426 63
On account of Army.....	4,397,228 90
On account of Navy.....	2,312,713 19
On account of customs.....	194,526,943 48
On account of Interior.....	624,656 89
Total of all actual receipts.....	704,808,045 17
Add counter-warrants.....	69,656,384 84
Balance held from last year.....	155,680,340 85
Total.....	930,144,770 86

ACTUAL EXPENDITURES.

(As per warrants, less counter-warrants.)

On account of public debt.....	\$539,017,629 80
On account of internal revenue.....	8,891,586 91
On account of War (Army branch).....	61,977,594 10
On account of War (civil branch).....	925,567 88
On account of Navy.....	24,114,552 27
On account of Treasury.....	22,155,331 32
On account of Treasury Interior.....	5,439,073 18
On account of Interior proper.....	32,365,383 28
On account of diplomatic.....	1,138,529 69
On account of quarterly salaries.....	494,855 50
On account of customs.....	14,465,810 49
Total of all actual payments.....	710,985,914 42
Add counter-warrants.....	69,656,384 84
Cash balance in treasury.....	149,502,471 60
Total.....	930,144,770 86

The actual receipts during the year ending June 30, 1870, as per ledger, were—

Cash, Dr.

Cash ledger balance, June 30, 1869.....	\$159,351,999 99
Legal tender notes, new issue and series of 1869..	\$135,173,580 00
Fractional currency.....	31,315,266 00
Coin certificates.....	76,731,060 00
Temporary loan.....	335,000 00
Certificates of indebtedness.....	1,000 00
Six per cent. twenty-year bonds.....	700 00

Six per cent. 5-20 bonds.....	\$24,500 00	
Customs.....	194,488,367 73	
Internal revenue.....	184,265,743 33	
Semi-annual bank duty.....	5,842,473 41	
Sales of land.....	3,361,925 33	
Premium, chiefly on sales of coin.....	15,288,075 17	
Profits on coinage.....	296,528 06	
Patent fees.....	682,697 98	
Real estate tax.....	228,826 13	
Captured and abandoned property.....	1,609 46	
Conscience money.....	3,406 03	
Fines and penalties.....	551,905 71	
Internal and coastwise intercourse.....	26,042 12	
Interest.....	15,232 13	
Indian trusts.....	551,306 88	
Prize captures.....	42,836 14	
Miscellaneous receipts.....	2,707,955 08	
War, (repayments).....	3,746 470 03	
Navy, (repayments).....	2,067 230 42	
Repayments.....	43,885 524 49	
Total actual receipts.....		\$701,635,961 63
Canceled drafts.....		95,688 82
Total.....		<u>861,082,950 44</u>

The actual amount of disbursements, as per *cash ledger*, were made on account of the—

Public debt.....	\$539,017,629 80
Internal revenue.....	8,891,586 91
War, (Army branch).....	61,977,594 10
War, (civil branch).....	925,567 88
Navy.....	24,114,552 27
Treasury.....	22,155,331 32
Treasury Interior.....	5,439,073 14
Interior proper.....	32,365,383 28
Diplomatic.....	1,138,529 69
Quarterly salaries.....	494,855 50
Customs.....	14,465,810 49
	<u>710,985,914 42</u>
Suspended custom warrant 2,518, 2d qr., 1866, on collector, paid by the treasury.....	125 00
Balance cash in treasury.....	150,096,911 02
Total.....	<u>861,082,950 44</u>
This balance consists of gold and silver.....	\$113,433,406 59
Other lawful money.....	36,663,504 43
Total cash.....	150,096,911 02
Deduct cash not covered by warrants.....	594,439 42
Balance as per warrants ledger—see "Cash, Cr.".....	<u>149,502,471 60</u>

The cash balance as per ledger, after all the cash accounts had been received from the various offices constituting the treasury, and entered upon the books, was:

Cash, Dr.

Ledger balance from old account.....	\$150,351,999 99
Receipts during the year.....	701,635,961 63
Canceled drafts.....	95,688 82
Total.....	<u>861,082,950 44</u>

REPORT OF THE SECRETARY OF THE TREASURY. 137

Cash, Cr.

Payments during the year.....	\$710,985,914 42
Suspended customs warrant.....	125 00
Balance, cash in the treasury to new account.....	150,096,911 02
Total	861,082,950 44

Comparative statement of the balances on hand at the beginning of, and of the actual receipts during, each of the fiscal years ending with the thirtieth days of June in 1869 and 1870.

RECEIPTS.

	1869.	1870.
On account of balance from old account.....	\$130,834,437 96	\$155,680,340 85
On account of loans.....	247,519,735 76	285,474,826 00
On account of miscellaneous sources.....	25,204,982 12	29,238,353 52
On account of direct tax.....	665,685 61	
On account of sales of public lands.....	4,012,313 54	3,349,426 63
On account of the Army.....	3,279,651 70	4,397,228 90
On account of the Navy.....	3,434,546 98	2,312,713 19
On account of the Treasury.....	1,601,379 70	
On account of the Interior.....	818,260 29	624,656 89
On account of customs (in gold).....	190,024,649 44	194,526,943 48
On account of internal revenue.....	158,086,604 45	184,883,896 56
Total.....	755,582,267 55	860,488,386 02

Comparative statement of the actual expenditures during, and the balance on hand at the close of, each of the fiscal years ending with the thirtieth days of June in 1869 and 1870.

EXPENDITURES.

	1869.	1870.
On account of public debt.....	\$403,119,624 61	\$539,017,029 80
On account of internal revenue.....	9,018,400 96	8,891,586 91
On account of War (army branch).....	80,474,545 36	61,977,594 10
On account of War (civil branch).....	1,488,750 08	925,567 88
On account of Navy.....	23,561,088 77	24,114,552 27
On account of Treasury.....	26,171,140 34	22,155,331 32
On account of Treasury Interior.....	4,961,408 10	5,439,073 18
On account of Interior proper.....	36,316,364 94	32,365,383 28
On account of foreign intercourse.....	741,276 65	1,138,539 69
On account of quarterly salaries.....	500,189 30	494,855 50
On account of customs.....	13,551,205 32	14,465,810 49
On account of balance to new account.....	155,680,340 85	149,502,471 00
Total.....	755,584,338 28	860,488,386 02

Comparative statement of receipts in the fiscal years ending with June 30, 1869, and June 30, 1870.

There was received in 1870 in excess of the receipts of 1869—

From loans, as per statement.....	\$37,955,070 24
From internal revenue.....	26,797,292 11
From miscellaneous sources.....	4,033,371 40
From the Army.....	1,117,577 20
From customs.....	14,502,294 04
	\$84,405,604 99

There was received less in 1870 than in 1869—

From direct taxes.....	\$765,685 61
From sale of public lands.....	662,886 91
From the Navy.....	1,121,833 79
From the Treasury.....	1,601,379 70
From the Interior.....	193,603 40
	4,345,389 41

Total excess of receipts in 1870 over 1869 **80,060,215 58**

Receipts in 1870.....	\$704,808,045 17	
Receipts in 1869.....	624,747,829 59	
		<u>\$80,060,215 58</u>

Comparative statement of expenditures in the fiscal years ending with June 30, 1869, and June 30, 1870.

There was paid in 1870 in excess of the payments made in 1869—		
On the public debt.....	\$135,898,005 19	
For the Navy	553,469 50	
For Treasury Interior.....	477,665 08	
For foreign intercourse	397,253 04	
On account of customs.....	914,605 17	
		<u>\$138,240,997 98</u>

There was expended less in 1870 than in 1869—		
On account of internal revenue.....	\$126,814 05	
For the Army.....	19,060,142 46	
For the Treasury Department.....	4,015,809 02	
For the Interior Department.....	3,950,981 66	
For quarterly salaries.....	5,333 80	
		<u>27,159,080 99</u>

Total excess of payment in 1870 over 1869.....		<u>111,081,916 99</u>
Expenditures in 1870	\$710,985,914 42	
Expenditures in 1869	599,903,997 43	
		<u>111,081,916 99</u>

Statement of increase and of decrease of receipts, and of expenditures, by items, with the increased receipts of customs in gold reduced to currency, excluding only loans, which comprise simply an exchange of United States notes from the one side, and payments on the public debt which are represented by a corresponding increase of the sinking fund from the other side, for the fiscal years ending, respectively, with the thirtieth days of June, 1869, and 1870, which are contrasted with each other.

Increased receipts—		
From internal revenue	\$26,797,292 11	
From miscellaneous sources.....	4,033,371 40	
From the War Department.....	1,117,577 20	
From customs (in gold).....	14,502,294 04	
From premium on last, say 12½ per cent.....	1,812,786 75	
		<u>\$48,263,321 50</u>

Decreased expenditures—		
On internal revenue.....	\$126,814 05	
On the Army.....	19,060,142 46	
On the Treasury Department	4,015,809 02	
On the Interior Department	3,950,981 66	
On quarterly salaries	5,333 80	
		<u>27,159,080 99</u>

Total of increased receipts and decreased expenditures.....		<u>75,422,402 49</u>
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Decreased receipts—		
From direct taxes	\$765,685 61	
From sales of public lands.....	662,846 91	
From the Navy Department.....	1,121,833 79	
From the Treasury Department.....	1,601,379 70	
From the Interior Department	193,603 40	
		<u>\$4,345,389 41</u>

Increased expenditures—		
For the Navy.....	\$553,469 50	
For Treasury Interior	477,665 08	
For foreign intercourse	397,253 04	
For customs	914,605 17	
		<u>2,342,992 79</u>

Total of decreased receipts and increased expenditures		<u>6,687,382 20</u>
--	--	---------------------

The comparison, or rather the contrast, between the two last fiscal years, then, stands as follows :

Increased receipts	\$48,263,321 50	
Decreased expenditures	27,159,080 99	
	<hr/>	\$75,422,402 49
Decreased receipts	4,345,389 41	
Increased expenditures	2,342,992 79	
	<hr/>	6,688,382 20
Being a clear gain, by larger collections and reduced expenditures, of..		<hr/> <hr/> 68,734,020 29

In order to explain more clearly to such persons as are not in the habit of thinking of money by millions of dollars, the great saving that has been made to the treasury of the United States in the last fiscal year over the one preceding it, the statement is here made, that after deducting 52 Sundays and 4 legal holidays from the 365 days, 309 executive days remain in the year, in which time the saving of \$68,734,020 29 was made; and that the average saving on the working days of the fiscal year, that closed with June 30, 1870, over those of the year preceding was over \$222,440 per day; being over \$9,268 per hour and over \$154 per minute; and more than equal to the extra dropping of \$2 50 into the coffers of the treasury in every second of the time. These facts sufficiently explain how the administration, by thorough action and an economical course, was enabled to purchase so large an amount of the stocks of the United States for the sinking fund.

The following tables of *receipts* and *expenditures*, by warrants, excluding such as were issued for payments and repayments, for the last ten fiscal years, are made that the movement of the office from year to year, and for each year, may readily be compared with that of any other year:

RECEIPTS.	
In the year 1861.....	\$83,206,693 56
In the year 1862.....	581,628,181 26
In the year 1863.....	888,082,128 05
In the year 1864.....	1,389,466,963 41
In the year 1865.....	1,801,792,627 51
In the year 1866.....	1,270,884,173 11
In the year 1867.....	1,131,060,920 56
In the year 1868.....	1,030,749,516 52
In the year 1869.....	609,621,828 27
In the year 1870.....	704,808,045 17
Total receipts in ten years.....	<hr/> <hr/> 9,491,301,077 42

EXPENDITURES.	
In the year 1861.....	\$84,578,834 47
In the year 1862.....	570,841,700 25
In the year 1863.....	895,796,630 65
In the year 1864.....	1,298,056,101 89
In the year 1865.....	1,897,674,224 09
In the year 1866.....	1,141,072,666 09
In the year 1867.....	1,093,079,655 27
In the year 1868.....	1,069,889,970 74
In the year 1869.....	584,777,996 11
In the year 1870.....	710,985,914 42
Total expenditures in ten years.....	<hr/> <hr/> 9,346,753,693 98

The increase of both "receipts" and "expenditures" during the last fiscal year over the preceding one, was swelled by an amount of

legal-tender notes destroyed in a former year, which had been erroneously entered as *statistical matter*, and which has since been entered as received and destroyed as *money*. (See page 44 of the report of 1869.) The remainder of the increase of receipts is due to the larger collection of internal revenue and of customs duties. The increase of the expenditures represents the increased purchases of United States stocks for the sinking fund.

Statement showing the amounts of balances and overdrafts standing to the credit and debit of the Treasurer of the United States, at this office and the various offices of assistant treasurers, designated depositories, and national banks, designated as depositories on June 30, 1870.

Treasurer, Washington.....	\$22,434,668 29	
Assistant treasurer, New York.....	80,379,830 51	
Assistant treasurer, Philadelphia.....	5,687,540 57	
Assistant treasurer, Boston.....	6,507,545 89	
Assistant treasurer, St. Louis.....	1,844,435 26	
Assistant treasurer, San Francisco.....	6,292,099 73	
Assistant treasurer, Charleston.....	145,477 76	
Assistant treasurer, New Orleans.....	2,209,181 46	
Depository, Baltimore.....	3,304,188 55	
Depository, Cincinnati.....	1,622,999 80	
Depository, Chicago.....	1,440,146 12	
Depository, Louisville.....	59,672 20	
Depository, Buffalo.....	287,542 53	
Depository, Pittsburg.....	690,892 65	
Depository, Olympia.....	37,559 35	
Depository, Oregon City.....	848 53	
Depository, Mobile.....	163,422 58	
Depository, Santa Fé.....		\$12,824 18
Depository, Tucson.....	51,028 17	
National banks.....	8,483,549 79	
United States mints.....	7,467,992 19	
Suspense account.....	999,113,27	
Balance as per ledger.....		150,096,911 02
Total.....	150,109,735 20	150,109,735 20
Of the above balance there is in coin.....		\$113,433,406 59
And in currency.....		36,663,504 43
Total balance.....		150,096,911 02

Receipts by warrant, on account of the public debt, segregated for the fiscal year ending June 30, 1870.

On account of 3 per cent. certificates.....	\$340,000
On account of 5-20 bonds, act March 3, 1865.....	20,000
On account of bonds of the loan of July 17, 1861, (1881s).....	200
Coin certificates.....	76,731,060
Legal-tender notes.....	177,173,520
Treasury notes, act of July 17, 1861.....	270
Old demand notes.....	00
Fractional currency.....	31,200,716
Total receipts on account public debt by warrant.....	285,474,226

Payments on account of the public debt, segregated for the fiscal year ending June 30, 1870.

On account of sinking fund interest account.....	\$484,092 06
On account of purchase of United States bonds, interest account, currency.....	495,580 99
On account of purchase of United States bonds, interest account, coin.....	553,480 92
On account of purchase of United States bonds, principal.....	82,050 000 00
On account of purchase of United States bonds, premium.....	12,401,602 30

On account of redemption of United States loan of 1847, &c., in coin..	\$83,435 75
On account of redemption of 3 per cent. certificates.....	6,915,000 00
On account of redemption of legal-tender notes.....	177,176,997 50
On account of redemption of fractional currency.....	23,238,088 88
On account of redemption of compound-interest notes.....	701,150 00
On account of redemption of one and two year notes of 1863.....	83,070 00
On account of redemption of 7 $\frac{1}{2}$ United States loan.....	673,607 00
On account of redemption of coin certificates.....	75,270,120 00
On account of sinking fund, principal.....	27,000,000 00
On account of the sinking fund premium.....	3,594,740 30
On account of redemption of Texan indemnity bonds, in coin.....	20,782 87
On account of the payment of interest, in currency.....	3,533,252 27
On account of the payment of interest, in coin.....	119,213,732 63
On account of the reimbursement of temporary loan.....	9,170 00
On account of the redemption of certificates of indebtedness.....	2,000 00
On account of the Navy pension fund.....	210,000 00
On account of the payment of interest on 3 per cent. certificates.....	194,550 00
On account of the payment of interest on Pacific Railroad bonds.....	1,890,625 44
On account of the payment of interest on temporary loan.....	48 89
On account of the payment of interest on 10-40 bonds, coin.....	3,222,490 00
Total payments on account of the public debt.....	539,017,629 80

Balances standing to the credit of disbursing officers of the United States June 30, 1870.

Treasurer of the United States.....	\$1,514,791 50
Assistant treasurer, Boston.....	\$432,146 76
Assistant treasurer, New York.....	4,937,870 41
Assistant treasurer, Philadelphia.....	388,231 66
Assistant treasurer, Charleston.....	116,232 85
Assistant treasurer, St. Louis.....	831,293 25
Assistant treasurer, New Orleans.....	523,074 02
Assistant treasurer, San Francisco.....	3,971,494 71
	11,200,343 66
Depository, Baltimore.....	\$148,122 99
Depository, Buffalo.....	33,520 00
Depository, Chicago.....	733,296 29
Depository, Cincinnati.....	262,019 17
Depository, Louisville.....	502,090 81
Depository, Pittsburg.....	68,745 48
Depository, Mobile.....	91,624 59
Depository, Santa Fe.....	285,453 51
Depository, Oregon City.....	299 66
Depository, Olympia.....	335 58
Depository, Tucson.....	11,837 05
	2,137,354 13
In 64 national bank depositaries.....	2,553,717 90
Total amount in all offices to credit of disbursing officers.....	17,406,207 19

Transfer of funds.

To facilitate payments at points where the moneys were needed for disbursements, transfer letters, transfer orders, and bills of exchange were issued during the fiscal year, in number, in kind, and for the amounts as follows:

2,553 letters on national bank depositaries.....	\$42,608 891 06
718 transfer orders on national bank depositaries.....	10,810,104 41
22 bills of exchange on national bank depositaries.....	150,000 00
44 bills of exchange on collectors of customs.....	180 000 00
2,333 transfer orders on assistant treasurers and designated depositaries.....	189,585,273 18
5,670 transfers—total amount of transfers.....	243,334,268 65
Of which amount there was in coin.....	\$21,361,273 18
And in currency.....	221,972,995 47
Total.....	243,334,268 65

Pay warrants, for which drafts have been issued, classified, and segregated for the fiscal year ending June 30, 1870.

Quarterly salaries—	
Account of United States courts, &c.....	\$305,040 64
Inspectors of steam vessels.....	77,641 69
Governors, judges, &c.....	112,173 17
Total of quarterly salaries.....	494,855 50
Diplomatic—	
Ministers, consuls, &c.....	\$813,946 45
Relief and protection of seamen.....	56,424 66
Foreign intercourse.....	262,152 55
Total of diplomatic.....	1,132,529 69
Customs—	
Collecting revenue from customs.....	\$5,077,269 33
Erection, &c., of public buildings.....	926,409 54
Light-house establishment.....	3,110,928 61
Revenue-cutter service.....	2,562,911 69
Refunding duty, &c.....	2,730,375 76
Captured and abandoned property.....	45,657 21
Relief, &c.....	12,198 35
Total customs.....	14,465,810 49
Treasury proper—	
Legislative department.....	\$6,183,605 73
Inspectors of steam vessels.....	43,303 70
Assistant treasurers, depositaries, &c.....	1,182,154 75
Refunding, act 1865 &c.....	69,592 34
Public buildings and grounds.....	1,907,893 33
Navy Department.....	642,749 56
Executive department.....	267,663 90
Treasury Department.....	2,563,207 94
United States courts, &c.....	269,324 99
Smithsonian Institute.....	39,000 00
Relief of colored women and children, act March 31, 1870.....	7,972 00
Outstanding liabilities.....	2,797 60
Commissioner of Mining Statistics.....	9,800 00
Telegraphing.....	40,000 02
Governors, judges, &c.....	91,864 47
National loan.....	2,773,700 61
Agricultural Department.....	149,500 00
Post Office Department.....	5,569,775 67
Unprovided claims.....	1,841 03
Return of proceeds from captured and abandoned lands.....	332,977 63
Total Treasury proper.....	22,155,331 32
Treasury Interior—	
Public buildings and grounds.....	\$457,202 23
United States courts, &c.....	2,169,222 65
Interior Department and post office.....	1,320,753 24
Metropolitan Police.....	211,000 00
Registers and receivers of lands, &c.....	339,131 62
Surveyors general, &c.....	804,752 17
5 per cent. State fund of Michigan, &c.....	35,537 29
Repayment for lands, &c.....	16,461 98
Census.....	25,000 00
Total Treasury Interior.....	5,439,073 18

Internal revenue—

Assessment and collection.....	\$8,048,421 60
Detecting, &c., act of 1867.....	112,448 83
Refunding duty, &c.....	730,716 48
Total internal revenue.....	<u>8,891,586 91</u>

Interior—

Indian Department.....	\$3,783,321 01
Army pensions.....	28,105,733 43
Navy pensions.....	476,328 84
Total Interior.....	<u>32,365,383 28</u>

Public debt—

Sinking fund, interest account, (coin).....	\$484,098 06
Purchase of United States bonds, (currency).....	495,580 99
Purchase of United States bonds, interest account, (coin).....	553,480 92
Purchase of United States bonds, principal.....	82,050,000 00
Purchase of United States bonds, premium.....	12,401,608 30
Redemption of United States loan of 1847, &c., in coin.....	83,435 75
Redemption of 3 per cent. certificates.....	6,915,000 00
Redemption of legal-tender notes, &c.....	177,176,997 50
Redemption of fractional currency.....	23,238,088 88
Redemption of compound-interest notes.....	701,150 00
Redemption of one and two year notes of 1863.....	83,070 00
Redemption of 7½ United States loan.....	673,607 00
Redemption of coin certificates.....	75,270,120 00
Sinking fund, principal.....	27,000,000 00
Sinking fund, premium.....	3,594,740 30
Texan indemnity bonds, (coin).....	20,782 87
Payment of interest in currency.....	3,533,252 27
Payment of interest in coin.....	119,213,732 63
Reimbursement of temporary loan.....	9,170 00
Certificates of indebtedness.....	2,000 00
Navy pension fund.....	210,000 00
Interest on 3 per cent. certificates.....	194,550 00
Interest on Pacific Railroad bonds.....	1,890,625 44
Interest on temporary loan.....	48 89
Interest on 10-40 bonds, (coin).....	3,222,490 00
Total public debt.....	<u>539,017,629 80</u>

War—

Quartermaster's Department.....	\$14,038,495 82
Subsistence of Army.....	7,820,122 51
Pay of the Army.....	12,354,544 30
Bounty of July, 1866, &c.....	5,802,705 45
National cemeteries.....	34,355 50
Refugees, freedmen, &c.....	1,330,978 15
Army and officer's transportation.....	8,435,270 19
Harbor fortifications, &c.....	4,711,174 86
Horses, &c., lost in service.....	200,985 50
Medical and Hospital Department.....	520,081 45
Ordnance Department.....	2,040,436 73
Collecting, drilling, organizing volunteers, &c.....	2,311,324 85
Military Academy.....	289,941 72
Payment under reconstruction acts.....	385,957 34
Contingencies of the Army.....	154,602 03
Reimbursing to States.....	1,347,067 22
Washington and Oregon volunteers.....	44,198 83
Relief, &c.....	74,568 53
Capture of Jefferson Davis.....	80,783 12
Total of War.....	<u>61,977,594 10</u>

War, (civil branch)—	
Public buildings and grounds.....	\$233,356 06
Compensation, &c., to Secretary of War.....	692,211 83
Total of War, (civil branch).....	925,567 89
Navy—	
Pay of the Navy.....	\$7,643,615 07
Hospital fund.....	239,093 00
Naval Observatory.....	25,345 49
Construction and Repair.....	5,987,809 45
Provisions and Clothing.....	956,874 95
Medicine, Surgery, &c.....	242,221 96
Naval Academy.....	212,673 23
Yards, Docks, and Stations.....	2,355,946 51
Ordnance Department.....	650,732 02
Naval Asylum.....	48,752 00
Engineering and Steam Machinery.....	1,799,266 93
Navigation, &c.....	228,648 17
Equipment and Recruiting.....	2,167,180 45
Pay of Marine Corps.....	1,065,574 12
Bounty, &c., to seamen.....	47,610 42
Prize money.....	423,923 22
Relief, act February, 1853.....	9,224 54
Total Navy.....	24,114,552 27

OFFICIAL CORRESPONDENCE.

Statement of letters received and transmitted during the fiscal year ending June 30, 1870.

Received by mail, containing money.....	35,238
Received by mail, containing no money.....	47,951
Received by express, money packages.....	26,970
Total received.....	110,159
Transmitted by mail, manuscript letters.....	6,688
Transmitted by mail, printed forms filled in.....	86,386
Transmitted by mail, drafts payable to order.....	25,954
Transmitted by express, money packages.....	25,034
Total transmitted.....	144,062

NATIONAL BANK DEPOSITARIES.

The business transactions between the treasury and national banks, as depositaries, have been for the fiscal year as follows:

Balance brought from last year's account.....	\$8,875,141 73
Receipts during the year.....	122,550,502 85
Total.....	131,425,704 58
Payments during fiscal year.....	\$122,942,154 79
Balance due the United States.....	8,483,549 79
Total.....	131,425,704 58
Payments through express, at Government expense.....	\$10,810,104 41
Payments, without expense to the Government.....	112,132,050 38
Total.....	122,942,154 79

CONSCIENCE FUND.

Amount received from various persons, from December, 1863, up to and including June 30, 1869.....	\$113,991 81
And during the fiscal year ending June 30, 1870.....	3,406 03
Total amount received since November 30, 1863.....	<u>117,397 84</u>

OPEN ACCOUNTS.

With assistant treasurers.....	18
With designated depositaries.....	11
With United States mints.....	4
With national bank depositaries.....	152
With disbursing officers.....	141
With impersonals.....	90
Total open accounts.....	<u>416</u>

OUTSTANDING LIABILITIES.

Amount covered into the treasury up to and including June 30, 1869..	\$188,695 81
In fiscal year ending June 30, 1870.....	18,948 15
Total amount so covered in.....	<u>207,643 96</u>
There has been paid to various parties entitled to receive the same, up to and including June 30, 1870.....	\$28,113 92
Unclaimed balance remaining in the treasury.....	179,530 04
Total amount, as above.....	<u>207,643 96</u>

UNAVAILABLE FUNDS, JUNE 30, 1870.

Currency—	
First National Bank of Selma, Alabama.....	\$59,978 07
Venango National Bank of Franklin, Pennsylvania.....	217,391 38
Total amount with national banks.....	277,369 45
Assistant treasurer, San Francisco (lost at sea).....	\$1,000,000 00
Deficit assistant treasurer, New Orleans, (Whitaker's).....	663,913 69
Deficit designated depositary, Louisville, (stolen).....	9,000 00
Deficit designated depositary, Louisville, (Bloomgart's).....	11,083 52
Deficit designated depositary, Santa Fé, (Collins & Greiner).....	33,518 21
Deficit designated depositary, Olympia, (Jos. Cushman).....	6,143 04
Total with assistant treasurers and depositaries.....	1,723,658 46
Total currency.....	2,001,027 91
Coin—	
Branch mint, Charlotte, North Carolina.....	\$32,000 00
Branch mint, Dahlonega, Georgia.....	27,950 03
Assistant treasurer, Charleston, South Carolina.....	2,053 41
United States depositary, Galveston.....	778 66
Total in coin.....	62,782 10
Total amount of unavailable funds.....	<u>2,063,810 01</u>

The amount above stated as unavailable with Joseph Cushman, depositary at Olympia, Washington Territory, \$6,143 04, has, since the 1st of July, 1870, been reduced \$2,031 97, making the amount of the deficit \$4,111 07. There are also certain moneys due the depositary, which have not yet been audited, which will still further reduce the amount of the deficit.

MILITARY EXPENDITURES.

The payments for, and on account of the Army, less repayments, in each year for the eleven years from 1860 to 1870, both inclusive, with the civil branch included in the last two years, were in the years, and for the amounts, as follows:

In 1860.....	\$16,409,737 10	In 1866.....	\$284,449,701 82
In 1861.....	22,981,150 44	In 1867.....	95,224,415 63
In 1862.....	394,368,407 36	In 1868.....	128,906,351 43
In 1863.....	599,298,600 83	In 1869.....	81,963,304 44
In 1864.....	690,791,842 97	In 1870.....	62,903,161 98
In 1865.....	1,031,323,360 79		
War expenses for eleven years.....			<u>3,408,620,034 79</u>

NAVAL EXPENDITURES.

The payments for, and on account of the Navy, for the eleven years from 1860 to 1870, both inclusive, less the repayments, were in the years, and for the amounts, as follows:

In 1860.....	\$11,514,964 96	In 1866.....	\$43,324,118 52
In 1861.....	12,420,887 89	In 1867.....	31,034,011 04
In 1862.....	42,668,277 09	In 1868.....	30,230,262 50
In 1863.....	63,221,963 64	In 1869.....	23,561,082 77
In 1864.....	85,725,994 67	In 1870.....	24,114,552 27
In 1865.....	122,612,945 29		
Naval expenditures during the eleven years.....			<u>490,429,060 64</u>

ARMY AND NAVY PENSIONS.

Statements of pensions paid to soldiers and sailors for the eight years from 1863 to 1870, both inclusive:

<i>Army pensions.</i>		<i>Navy pensions.</i>	
1863.....	\$932,886 29	1863.....	\$185,188 36
1864.....	4,902,651 01	1864.....	184,755 04
1865.....	9,191,187 02	1865.....	7,222,424 59
1866.....	13,483,665 19	1866.....	3,371,058 33
1867.....	19,448,083 69	1867.....	3,328,795 46
1868.....	23,987,469 14	1868.....	890,828 69
1869.....	28,623,650 47	1869.....	535,991 34
1870.....	28,105,733 43	1870.....	476,328 84

Fourteen million dollars from the above amounts previous to the year just closed was placed to the "naval pension fund." Two hundred and ten thousand dollars was placed to the same fund, in the last year, that is not included in the last item of the above table.

PAYMENTS BY CHECKS ON OTHER OFFICES.

There were drawn during the year, transfer checks on the offices of the assistant treasurers of the kinds and numbers, and for the amounts, as follows:

<i>Currency checks—</i>	
46,099 on New York for	\$38,338,662 04
4,548 on Boston for.....	2,113,797 62
4,726 on Philadelphia for.....	2,128,798 64
645 on New Orleans for	892,963 19
84 on San Francisco for.....	234,157 22
56,102 total number currency checks, amounting to	<u>43,708,366 71</u>

Coin checks—

1,639 on New York for.....	\$7,841,563 79
151 on Boston for.....	25,263 14
432 on Philadelphia for.....	41,281 11
3 on New Orleans for.....	11,908 15
10 on San Francisco for.....	1,876 50
<hr/> 2,235 total number coin checks, amounting to....	<hr/> 7,921,892 69
<hr/> 68,337 checks, total of currency and coin.....	<hr/> 51,630,259 40

SPECIMEN FRACTIONAL CURRENCY.

There has been received from the sale of the various kinds of fractional currency, with the faces and backs printed on separate pieces of paper, and mostly pasted on cards, as follows:

Up to and including June 30, 1869.....	\$14,042 30
During the fiscal year closing with June 30, 1870.....	640 96
<hr/> Total amount sold.....	<hr/> 14,683 26

An error occurred in the report for the year ending June 30, 1868. The sales to that date were \$11,571 05, instead of \$20,317 05, as reported. The mistake was in classifying unsigned whole notes as specimen currency. As some of these notes have been redeemed, this class was charged to the mixed currency account. In making up the report of sales for the year ending June 30, 1868, the amount on hand was taken from the amount received without noticing this transfer, and the difference reported as sales.

EXCHANGE.

There has been received since a separate account has been kept, prior to July 1, 1869.....	\$109,745 84
In fiscal year closing with June 30, 1870.....	31,745 92
<hr/> Total amount.....	<hr/> 141,491 76

TRUST FUNDS.

There remains in the custody of the Treasurer, held by the Secretary of the Treasury in trust for the Smithsonian fund, 6 per cent. stocks of the State of Arkansas that matured in 1868, amounting at their par face value, interest excluded, to \$538,000.

The coupon bonds of the Union Pacific Railroad Company, and of the Central Pacific Railroad Company, reported as held on June 30, 1869, have, under the direction of the Secretary of the Treasury, been surrendered to the respective companies.

There were held on the 30th of June, 1870, by the Treasurer as custodian of the special fund and the sinking fund, coupon and registered bonds purchased for those funds amounting to \$123,429,100.

There are also held special deposits in sealed packages, the contents of which are, and their value is, unknown.

Statement of five-twenty bonds purchased for the sinking fund previous to July 1, 1869

Loan.	Coupon.	Registered.	Total.	Premium paid.	Accrued interest paid in coin.
5-20's of 1862 .....	.....	\$1,621,000 00	\$1,621,000 00	\$254,574 15	\$7,394 00
5-20's of March 1864 .....	.....	70,000 00	70,000 00	11,725 00	218 63
5-20's of June 1864	\$936,000 00	115,000 00	1,051,000 00	163,544 50	1,470 42
5-20's of 1865 .....	.....	465,000 00	465,000 00	74,969 00	2,062 54
Consols of 1865	15,000 00	440,000 00	461,000 00	73,430 00	489 04
Consols of 1867	4,338,000 00	380,000 00	4,718,000 00	748,803 10	114,022 35
Consols of 1868	305,000 00	.....	305,000 00	49,442 50	8,173 98
Total.....	5,594,000 00	3,097,000 00	8,691,000 00	1,376,488 25	136,388 56

RECAPITULATION

Coupon	\$5,594,000 00
Registered	3,097,000 00
Premium paid	1,376,488 25
Accrued interest paid in coin	136,388 56
Total.....	10,203,880 81

Statement of five-twenty bonds purchased for special and sinking funds from June 30, 1869, to July 1, 1870.

Loan.	Coupon.	Registered.	Total.	Prem'm paid.	Accrued interest paid.
5-20's of 1862	\$478,700	\$13,038,600	\$13,517,300	\$1,839,131 99	\$154,963 48
5-20's of March 1864 .....	.....	682,400	682,400	132,706 35	16,788 12
5-20's of June 1864	10,625,350	5,088,750	15,714,100	2,276,106 49	195,977 16
5-20's of 1865	5,257,000	5,153,600	10,410,600	1,464,756 97	131,119 00
Consols of 1865	38,803,650	8,846,700	47,650,350	6,732,156 46	629,128 01
Consols of 1867	17,990,900	6,309,150	24,300,050	3,785,358 85	272,659 72
Consols of 1868	2,009,000	445,000	2,454,000	418,334 99	28,388 00
Total.....	75,093,900	39,644,900	114,738,800	16,731,551 40	1,425,153 49

RECAPITULATION.

Coupon	\$75,093,900 00
Registered	39,644,900 00
Premium paid	16,731,551 40
Accrued interest	1,425,153 49
Total	132,894,804 89

Statement of five-twenty bonds purchased for special and sinking funds from May 11, 1869, to July 1, 1870.

Loan.	Coupon.	Registered.	Total.	Prem'm paid.	Accrued interest paid.
5-20's of 1862	\$478,700	\$14,659,600	\$15,138,300	\$2,186,706 14	\$164,346 08
5-20's of March 1864 .....	.....	752,400	752,400	144,431 35	16,888 75
5-20's of June 1864	11,561,350	5,903,750	17,465,100	2,439,650 99	197,447 58
5-20's of 1865	5,257,000	5,818,600	10,675,600	1,539,785 27	123,680 54
Consols of 1865	38,818,650	9,282,700	48,111,350	6,783,586 46	629,351 05
Consols of 1867	22,258,900	6,769,150	29,027,350	4,534,161 25	367,688 07
Consols of 1868	2,314,000	445,000	2,759,000	467,777 49	36,353 98
Total.....	80,687,900	42,741,900	123,429,800	18,108,039 65	1,561,546 05

The above includes a \$1,000 bond of June, 1864, gift of William P. Peters, and \$3,688,100 bonds bought with proceeds of \$3,492,004 64 coin dividends.

RECAPITULATION.

Coupon	\$80,687,900 00
Registered	42,741,900 00
Premium paid	18,108,039 65
Accrued interest paid	1,561,546 05
Total	143,099,885 70

REPORT OF THE SECRETARY OF THE TREASURY.

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Statement of five-twenty bonds purchased for special and sinking funds from May 11, 1869, to November 1870.

Loans.	Coupon.	Registered.	Total.	Premium paid.	Accrued interest paid.
5-20s of 1862.....	\$1,322,550	\$16,842,400	\$18,164,950	\$2,465,822 80	\$209,992 07
5-20s of March 1864.....		754,400	754,400	144,609 05	10,961 32
5-20s of June 1864.....	13,505,600	6,109,850	19,615,450	2,700,494 56	248,039 72
5-20s of 1865.....	8,771,200	6,951,850	15,723,050	1,989,858 44	203,788 23
Consols of 1865.....	49,339,250	11,067,350	60,406,600	7,877,774 23	770,064 84
Consols of 1867.....	31,736,550	7,510,050	39,246,600	5,448,980 41	517,366 26
Consols of 1868.....	2,401,100	470,500	2,871,600	478,106 45	37,664 54
Total.....	107,078,250	49,726,400	156,802,650	21,105,645 94	1,997,875 17

The above includes a \$1,000 bond of June, 1864, gift of William P. Peters.

Statement of purchase of five-twenty bonds for the special and sinking funds, showing their net cost in gold and currency, the average gold cost of each purchase, and the average gold cost of all the purchases made prior to the end of each month, from May 1869, to July 1, 1870.

Date of purchase.	Principal.	Net cost.	Net cost estimated in gold.	Average gold cost of a \$100 bond.	Average gold cost of total purchases to date.
1869.					
May 12.....	\$1,000,000	\$1,152,565 64	\$832,177 36	\$83 22	
May 19.....	70,000	81,718 00	57,548 45	82 21	
May 19.....	1,000,000	1,168,512 10	822,895 85	82 29	
May 27.....	1,000,000	1,153,581 50	826,940 14	82 69	\$82 72
June 3.....	1,000,000	1,164,770 68	842,510 43	84 25	
June 10.....	1,000,000	1,161,967 00	838,208 84	83 82	
June 17.....	1,000,000	1,152,950 00	833,960 21	83 40	
June 23.....	1,620,000	1,870,402 50	1,364,012 76	84 20	
June 26.....	1,000,000	1,158,228 25	842,347 88	84 23	83 56
July 1.....	1,000,000	1,158,098 75	842,253 63	84 22	
July 3.....	3,000,000	3,496,474 00	2,552,170 80	85 07	
July 9.....	3,000,000	3,518,044 00	2,586,797 06	86 23	
July 14.....	3,000,000	3,607,622 90	2,626,113 12	87 54	
July 15.....	1,000,000	1,201,850 00	877,262 77	87 73	
July 21.....	3,000,000	3,600,028 80	2,664,221 12	88 21	
July 28.....	3,000,000	3,604,859 00	2,640,922 34	88 03	
July 29.....	1,000,000	1,201,570 55	885,134 64	88 51	85 83
August 4.....	2,000,000	2,431,136 80	1,787,600 59	89 38	
August 11.....	2,000,000	2,422,038 27	1,787,482 12	89 37	
August 12.....	1,000,000	1,198,931 70	887,276 00	88 73	
August 18.....	2,000,000	2,378,781 81	1,788,557 75	89 43	
August 25.....	2,000,000	2,389,539 01	1,793,275 07	89 66	
August 26.....	1,000,000	1,196,247 80	893,555 78	89 36	86 87
September 1.....	2,000,000	2,401,991 00	1,800,930 46	90 05	
September 8.....	2,000,000	2,356,000 00	1,732,352 94	86 62	
September 9.....	1,000,000	1,183,972 53	871,368 92	87 14	
September 15.....	2,000,000	2,369,639 55	1,740,782 04	87 04	
September 22.....	2,000,000	2,337,657 62	1,697,029 12	84 85	
September 23.....	1,000,000	1,165,548 50	822,982 17	82 30	
September 25.....	3,000,000	3,537,158 16	2,647,078 14	88 24	
September 29.....	3,000,000	3,473,533 12	2,589,463 51	86 85	86 80
October 6.....	2,000,000	2,319,139 18	1,783,953 22	89 20	
October 7.....	1,000,000	1,159,945 10	824,610 18	88 46	
October 7.....	153,500	178,187 69	135,891 47	88 53	
October 13.....	2,000,000	2,318,883 53	1,782,043 06	89 10	
October 20.....	2,000,000	2,314,079 00	1,780,060 77	89 00	
October 21.....	1,000,000	1,152,000 00	885,302 59	88 53	
October 27.....	2,000,000	2,292,600 00	1,761,844 38	88 09	87 20
November 3.....	2,000,000	2,257,255 21	1,768,662 26	88 43	
November 4.....	1,000,000	1,126,843 74	889,906 21	88 09	
November 4.....	1,000,000	1,129,090 29	891,680 39	89 17	
November 5.....	201,300	227,413 00	179,773 19	89 31	
November 5.....	433,000	489,241 07	386,751 83	89 32	
November 10.....	2,000,000	2,259,000 00	1,780,492 61	89 02	
November 17.....	2,000,000	2,256,513 69	1,775,035 35	88 75	
November 17.....	1,000,000	1,129,039 02	888,132 95	88 81	
November 24.....	3,000,000	3,382,483 67	2,671,960 54	89 04	87 48
December 1.....	2,000,000	2,206,992 21	1,807,158 41	90 36	
December 2.....	1,000,000	1,102,659 61	901,971 06	90 20	
December 8.....	2,000,000	2,248,236 56	1,818,583 78	90 83	

Statement of purchase of five-twenty bonds, &c.—Continued.

Date of purchase.	Principal.	Net cost.	Net cost estimated in gold.	Average gold cost of a \$100 bond.	Average gold cost of total purchases to date.
1869.					
December 15.....	\$2,000,000	\$2,239,710 90	\$1,639,598 27	\$91 98	
December 16.....	1,000,000	1,118,412 34	819,557 94	91 96	
December 22.....	2,000,000	2,215,985 53	1,844,733 26	92 24	
December 29.....	2,000,000	2,220,427 12	1,832,285 40	92 61	
December 30.....	1,000,000	1,110,507 80	926,388 15	92 64	\$92 29
1870.					
January 5.....	2,000,000	2,246,595 03	1,876,071 01	93 89	
January 11.....	451,700	517,400 49	422,367 75	93 51	
January 11.....	1,342,550	1,539,794 35	1,256,974 98	93 63	
January 13.....	1,000,000	1,141,010 09	938,137 79	93 81	
January 19.....	2,000,000	2,251,535 49	1,877,893 45	93 89	
January 27.....	1,000,000	1,142,872 27	936,780 55	93 68	\$93 55
February 10.....	1,000,000	1,126,500 00	932,919 25	93 30	
February 11.....	50,000	56,325 03	46,888 66	93 78	
February 24.....	1,000,000	1,115,764 80	948,577 94	94 68	
February 24.....	1,000,000	1,117,488 85	950,043 66	95 04	\$93 73
March 2.....	1,000,000	1,107,377 50	951,559 61	95 16	
March 10.....	1,000,000	1,067,347 35	961,574 19	96 16	
March 17.....	1,000,000	1,067,480 27	953,107 39	95 31	
March 24.....	1,000,000	1,060,440 34	942,613 63	94 26	
March 30.....	1,000,000	1,069,985 26	956,411 41	95 64	\$93 64
April 7.....	1,000,000	1,070,574 91	955,870 46	95 59	
April 13.....	1,000,000	1,073,953 37	954,625 22	95 46	
April 21.....	1,000,000	1,078,778 18	951,513 28	95 15	
April 27.....	1,000,000	1,100,490 79	966,402 45	96 64	
April 30.....	345,400	383,020 40	333,423 63	96 53	
April 30.....	758,800	840,929 55	732,038 78	96 47	\$93 26
May 5.....	2,000,000	2,215,447 70	1,932,778 80	96 64	
May 12.....	1,850	2,070 46	1,794 55	97 00	
May 12.....	1,000,000	1,118,370 86	969,335 52	96 63	
May 19.....	2,000,000	2,230,611 87	1,943,888 34	97 19	
May 26.....	1,000,000	1,108,910 71	970,600 18	97 06	\$93 76
June 2.....	2,000,000	2,223,786 41	1,942,171 53	97 11	
June 9.....	1,000,000	1,109,976 64	977,952 99	97 79	
June 16.....	2,000,000	2,217,755 94	1,960,447 24	98 02	
June 23.....	1,000,000	1,104,612 10	969,574 11	98 06	
June 30.....	2,000,000	2,216,005 71	1,967,015 19	99 35	\$93 22

Statement by loans showing net cost in currency and gold of bonds purchased for special and sinking funds, and average gold cost of all the purchases to July 1, 1870.

Loan.	Principal.	Net cost.	Net cost estimated in gold.	Average cost in gold of total purchases to date.
5-20s of 1862.....	\$15,138,300	\$17,324,068 00	\$12,639,430 89	\$98 10
5-20s of March 1864.....	752,400	896,119 87	665,398 57	88 49
5-20s of June 1864.....	16,764,100	19,199,734 73	15,200,516 67	90 57
5-20s of 1865.....	10,875,600	12,415,271 79	10,045,221 09	92 37
Consols of 1865.....	48,111,350	54,881,952 78	43,844,734 89	91 23
Consols of 1867.....	29,027,350	33,560,767 03	25,622,647 03	88 21
Consols of 1868.....	2,759,000	3,226,685 50	2,434,349 76	88 23
Total.....	123,422,100	141,505,298 79	111,462,182 89	90 22

UNITED STATES PAPER CURRENCY.

The following tables exhibit, under their appropriate heads, the whole amount of paper money that has ever been issued by the Government of the United States from the commencement of such issues under the act of July 17, 1861, and the several other acts since passed by Congress in regard to such money up to and including June 30, 1870, the amount

during that time redeemed, and the amount outstanding at the date last named, by kinds and by denominations, ranging from notes of three cents up to those of ten thousand dollars.

Old demand notes.

Denominations.	Issued.	Redeemed.	Outstanding.
Five dollars	\$21,800,000	\$21,760,168 25	\$39,831 75
Ten dollars	20,030,000	19,992,144 25	37,855 75
Twenty dollars	18,260,000	18,171,431 50	28,568 50
Total	60,030,000	59,923,744 00	106,256 00
Deduct discount for mutilations			2,108 50
Total amount actually outstanding			104,147 50

Legal-tender notes, new issue.

Denominations.	Issued.	Redeemed.	Outstanding.
One dollar	\$28,351,348	\$18,483,013 25	\$9,868,334 75
Two dollars	34,071,128	20,568,809 75	13,502,325 25
Five dollars	101,000,000	49,960,841 25	51,039,158 75
Ten dollars	118,010,000	51,658,772 25	66,351,227 75
Twenty dollars	102,920,000	38,218,854 00	64,101,146 00
Fifty dollars	30,055,200	18,445,942 50	11,609,257 50
One hundred dollars	40,000,000	20,038,285 00	19,961,715 00
Five hundred dollars	52,986,000	35,338,620 00	23,647,380 00
One thousand dollars	155,938,000	115,821,700 00	40,106,300 00
Total	669,321,676	369,134,861 00	300,186,815 00
Deduct for new notes not put in circulation			11,041,783 00
Total			289,145,032 00

Legal-tender notes, series of 1869.

Denominations.	Issued.	Redeemed.	Outstanding.
One dollar	\$8,220,000	\$24,507	\$8,195,493
Two dollars	14,032,000	38,208	13,993,792
Five dollars	19,580,000	1,000	19,579,000
Ten dollars	37,920,000	29,040	37,890,960
Twenty dollars	23,760,000	2,000	23,758,000
Fifty dollars	20,600,000	2,300	20,597,700
One hundred dollars	28,600,000		28,600,000
Total	152,712,000	97,055	152,614,945
Deduct for new notes not put in circulation			85,758,977
Total amount actually outstanding			66,856,968

RECAPITULATION.

Legal-tender notes—			
Issued		\$782,215,251 00	
Redeemed		329,413,491 00	
		452,801,760 00	
Deduct for new notes not yet put in circulation		96,801,760 00	
Amount below which there can be no reduction		356,000,000 00	
Deduct discounts for mutilations		73,960 50	
Total amount actually outstanding		355,926,039 50	

New notes on hand but not yet put in circulation.

One-dollar notes	\$1,000
Two-dollar notes	893,000
Five-dollar notes	14,000,000
Ten-dollar notes	21,366,000
Twenty-dollar notes	16,360,000
Fifty-dollar notes	10,055,000
One-hundred-dollar notes	23,085,700
Five-hundred-dollar notes	2,041,000
One-thousand-dollar notes	9,000,000
Total	96,801,700

Legal-tender notes, new issue and series of 1869.

Denominations.	Issued.	Redeemed.	Outstanding.
One dollar	\$36,571,348 00	\$18,507,590 25	\$18,063,857 75
Two dollars	48,103,128 00	20,607,010 75	27,496,117 25
Five dollars	120,580,000 00	49,961,841 25	70,618,158 75
Ten dollars	155,930,000 00	51,687,819 25	104,242,180 75
Twenty dollars	126,680,000 00	38,820,854 00	87,859,146 00
Fifty dollars	50,655,200 00	18,448,242 50	32,206,957 50
One hundred dollars	68,600,000 00	20,038,285 00	48,561,715 00
Five hundred dollars	58,906,000 00	35,338,650 00	23,567,350 00
One thousand dollars	155,922,000 00	115,821,700 00	40,100,300 00
Total	822,033,676 00	369,231,916 00	452,801,760 00
Deduct for notes not put in circulation			96,801,700 00
Total amount actually outstanding			356,000,000 00

Circulating notes issued during the year.

Number of notes.	Denomination.	Amount.	Total.
2,219,023	One dollar	\$2,219,023	\$22,832,083
4,569,500	Two dollars	13,139,000	
1,114,000	Five dollars	5,580,000	
1,653,400	Ten dollars	16,554,000	
370,000	Twenty dollars	7,400,000	
210,900	Fifty dollars	10,545,000	
55,150	One hundred dollars	5,515,000	
<i>Fractional currency.</i>			
66,080,000	Ten cents	6,608,000	31,809,716
17,041,440	Fifteen cents	2,556,216	
36,774,000	Twenty-five cents	9,193,500	
25,704,000	Fifty cents	12,852,000	
Total issued in fiscal year			98,161,739
Total number of notes, 163,295,412.			

Fractional currency, first issue.

Denominations.	Issued.	Redeemed.	Outstanding.
Five cents	\$2,942,689 00	\$1,185,096 96	\$1,047,192 04
Ten cents	4,115,378 00	2,820,251 07	1,295,126 93
Twenty-five cents	5,223,692 00	4,139,256 50	1,084,435 50
Fifty cents	8,631,073 00	7,863,430 51	1,048,941 49
Total	20,913,632 00	15,738,635 13	4,478,995 87
Deduct discount for mutilations			13,586 32
Total actual amount outstanding			4,465,409 55

REPORT OF THE SECRETARY OF THE TREASURY.

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Fractional currency, second issue.

Denominations.	Issued.	Redeemed.	Outstanding.
Five cents	\$2,794,896 10	\$2,073,699 18	\$721,196 92
Ten cents	6,176,084 30	5,213,196 52	962,887 78
Twenty-five cents	7,648,341 25	6,882,113 00	766,228 25
Fifty cents	6,545,232 00	5,742,281 92	802,950 08
Total	23,164,453 65	19,891,292 62	3,273,191 03
Deduct discount for mutilations			9,072 58
Total actual amount outstanding			3,264,118 45

Fractional currency, third issue.

Denominations.	Issued.	Redeemed.	Outstanding.
Three cents	\$601,923 90	\$501,317 85	\$100,606 05
Five cents	657,092 75	510,484 88	146,607 87
Ten cents	16,976,134 50	14,416,107 57	2,560,026 93
Fifteen cents	*1,352 40		1,352 40
Twenty-five cents	31,143,188 75	27,741,643 73	3,401,545 02
Fifty cents	36,735,426 50	32,278,918 25	4,456,508 25
Total	86,115,028 80	75,448,472 28	10,666,556 52
Deduct discount for mutilations			60,276 96
Total actual amount outstanding			10,606,279 56

* Specimens.

Fractional currency, fourth issue.

Denominations.	Issued.	Redeemed.	Outstanding.
Ten cents	\$6,608,000 00	\$2,273,826 74	\$4,334,173 26
Fifteen cents	2,556,216 00	853,289 34	1,702,926 66
Twenty-five cents	9,193,500 00	2,568,287 06	6,625,212 94
Fifty cents *	9,576,000 00	4,052,431 80	5,523,568 20
Fifty cents †	3,276,000 00		3,276,000 00
Total	31,209,716 00	9,747,774 94	21,461,941 06
Deduct discount for mutilations			226 46
Total actual amount outstanding			21,461,714 60

* With vignette of Lincoln.

† With vignette of Stanton.

FRACTIONAL CURRENCY—RESUME.

Denominations.	Issued.	Redeemed.	Outstanding.
Three cents	\$601,923 90	\$501,317 85	\$100,606 05
Five cents	5,694,717 85	3,779,881 02	1,914,836 83
Ten cents	33,875,596 80	24,723,383 90	9,152,212 90
Fifteen cents	2,557,568 40	853,289 34	1,704,279 06
Twenty-five cents	53,210,722 00	41,311,240 38	11,899,481 62
Fifty cents	64,764,330 50	49,657,092 48	15,107,238 02
Total	160,704,859 45	120,826,174 97	39,878,684 48
Deduct discount for mutilations			83,164 52
Total actual amount outstanding			39,795,519 96
Of the above stated amount there was held in the office, at the close of business on June 30, 1870			3,370,900 00
Leaving the actual outstanding circulation at			36,424,619 96

PAPERS ACCOMPANYING THE

One-year notes of 1863.

Denominations.	Issued.	Redeemed.	Outstanding.
Ten dollars	\$6,900,000	\$6,189,729	\$710,271
Twenty dollars	16,440,000	16,361,914	78,086
Fifty dollars	8,940,000	8,913,545	26,455
One hundred dollars	13,640,000	13,614,375	25,625
Total	44,920,000	44,359,563	560,437
Deduct for unknown denominations		90	
Deduct for discount for mutilations		237	
Total actual amount outstanding			559,110

Two-year notes of 1863.

Denominations.	Issued.	Redeemed.	Outstanding.
Fifty dollars	\$6,800,000	\$6,768,687 50	\$31,312 50
One hundred dollars	9,680,000	9,654,910 00	25,089 00
Total	16,480,000	16,423,597 50	56,402 50
Deduct discount for mutilations			138 50
Total actual amount outstanding			56,264 00

Two-year coupon notes of 1863.

Denominations.	Issued.	Redeemed.	Outstanding.
Fifty dollars	\$5,905,600 00	\$5,898,597 50	\$7,002 50
One hundred dollars	14,484,400 00	14,479,700 00	4,700 00
Five hundred dollars	40,302,000 00	40,298,000 00	4,000 00
One thousand dollars	89,308,000 00	89,283,000 00	25,000 00
Total	150,000,000 00	149,959,297 50	40,702 50
Deduct for unknown denominations		10,500 00	
Deduct for discount for mutilations		2 50	
Total actual amount outstanding			30,199 00

Compound-interest notes.

Denominations.	Issued.	Redeemed.	Outstanding.
Ten dollars	\$23,225,200	\$23,109,003	\$116,197
Twenty dollars	30,125,840	29,856,827	269,013
Fifty dollars	60,824,000	60,404,670	419,330
One hundred dollars	45,694,400	44,885,370	809,030
Five hundred dollars	67,846,000	67,757,500	88,500
One thousand dollars	39,420,000	39,391,000	29,000
Total	266,595,440	266,403,770	191,670
Deduct discount for mutilations			400
Total actual amount outstanding			191,270
Outstanding June 30, 1869			1,022,939
Redeemed within the fiscal year			871,740
Outstanding as above			151,199

Three per cent. certificates.

Received from printing bureau		\$160,000,000
Redeemed and destroyed.....	\$39,400,000	
Destroyed statistically.....	1,980,000	
		<u>41,380,000</u>
Total		118,620,000
On hand at Washington and New York.....		73,075,000
Outstanding per public debt statement.....		<u>45,545,000</u>

Movement of three per cent. certificates.

Sent to assistant treasurer, New York		\$93,000,000
Redeemed.....	\$39,400,000	
On hand at New York.....	8,055,000	
		<u>47,455,000</u>
Outstanding as above.....		<u>45,545,000</u>

Treasury notes of 1861.

<i>Issued—</i>		
46,076 of fifty dollars		\$2,303,800
44,958 of one hundred dollars		4,495,800
13,665 of five hundred dollars		6,832,500
8,836 of one thousand dollars		8,836,000
<u>113,535 of all denominations</u>		<u>22,468,100</u>
<i>Redeemed—</i>		
46,041 of fifty dollars		\$2,302,050
44,944 of one hundred dollars		4,494,400
13,665 of five hundred dollars		6,832,500
8,836 of one thousand dollars.....		8,836,000
<u>113,486 of all denominations</u>		<u>22,464,950</u>
<i>Outstanding—</i>		
35 of fifty dollars	\$1,750	
14 of one hundred dollars.....	1,400	
<u>49 of all denominations</u>		<u>3,150</u>
Total redeemed and outstanding		<u>22,468,100</u>

This account agrees with the books of the Register. The Secretary's books show \$50 more outstanding.

Statement showing the various kinds and amounts of United States currency outstanding at the close of each fiscal year for the last nine years.

<i>June 30, 1862—</i>		
Old demand notes.....	\$51,105,235 00	
Legal-tender notes, new issue	96,620,000 00	
Total.....	<u>147,725,235 00</u>	
<i>June 30, 1863—</i>		
Old demand notes.....	\$3,384,000 00	
Legal-tender notes, new issue.....	387,646,589 00	
Fractional currency, first issue.....	20,192,456 00	
Total	<u>411,223,045 00</u>	

June 30, 1864—

Old demand notes.....	\$789,037 50
Legal-tender notes, new issue.....	447,300,203 10
Compound-interest notes.....	6,060,000 00
One-year notes of 1863.....	44,520,000 00
Two-year notes of 1863.....	16,430,000 00
Two-year coupon notes of 1863.....	111,620,550 00
Fractional currency, first issue.....	14,819,156 00
Fractional currency, second issue.....	7,505,127 10
Total.....	<u>649,094,073 70</u>

June 30, 1865—

Old demand notes.....	\$472,603 50
Legal-tender notes, new issue.....	431,066,427 99
Compound-interest notes.....	191,721,470 00
One-year notes of 1863.....	8,467,570 00
Two-year notes of 1863.....	7,715,950 00
Two-year coupon notes of 1863.....	34,441,650 00
Fractional currency, first issue.....	9,915,408 66
Fractional currency, second issue.....	12,798,130 60
Fractional currency, third issue.....	2,319,589 50
Total.....	<u>698,918,800 25</u>

June 30, 1866—

Old demand notes.....	\$272,162 75
Legal-tender notes, new issue.....	400,740,305 46
Compound-interest notes.....	172,369,941 00
One-year notes of 1863.....	2,151,465 50
Two-year notes of 1863.....	5,209,522 50
Two-year coupon notes of 1863.....	1,078,552 50
Fractional currency, first issue.....	7,030,700 72
Fractional currency, second issue.....	7,937,024 87
Fractional currency, third issue.....	12,041,150 01
Total.....	<u>608,870,825 46</u>

June 30, 1867—

Old demand notes.....	\$208,432 50
Legal-tender notes, new issue.....	371,783,597 00
Compound-interest notes.....	134,774,981 00
One-year notes of 1863.....	794,687 00
Two-year notes of 1863.....	396,950 00
Two-year coupon notes of 1863.....	134,252 50
Fractional currency, first issue.....	5,497,534 93
Fractional currency, second issue.....	4,975,827 08
Fractional currency, third issue.....	18,001,261 01
Total.....	<u>536,567,523 02</u>

June 30, 1868—

Old demand notes.....	\$143,919 00
Legal-tender notes, new issue.....	356,000,000 00
Compound-interest notes.....	54,608,230 00
One-year notes of 1863.....	458,557 00
Two-year notes of 1863.....	148,402 50
Two-year coupon notes of 1863.....	69,212 50
Fractional currency, first issue.....	4,881,091 27
Fractional currency, second issue.....	3,924,075 22
Fractional currency, third issue.....	23,922,741 98
Total.....	<u>444,196,292 47</u>

June 30, 1869—

Old demand notes.....	\$123,739 25
Legal-tender notes, new issue.....	356,000,000 00
Compound-interest notes.....	3,063,410 00
One-year notes of 1863.....	220,517 00
Two-year notes of 1863.....	84,752 50
Two-year coupon notes of 1863.....	42,502 50
Fractional currency, first issue.....	4,605,708 52
Fractional currency, second issue.....	3,528,163 65
Fractional currency, third issue.....	23,980,765 19
Total.....	391,649,558 61

June 30, 1870—

Old demand notes.....	\$106,256 00
Legal-tender notes, new issue.....	289,145,032 00
United States notes, series of 1869.....	66,854,968 00
Compound-interest notes.....	2,191,670 00
One-year notes of 1863.....	160,347 00
Two-year notes of 1863.....	56,402 50
Two-year coupon notes of 1863.....	37,202 50
Fractional currency, first issue.....	4,476,995 87
Fractional currency, second issue.....	3,273,191 03
Fractional currency, third issue.....	10,666,556 52
Fractional currency, fourth issue.....	21,461,941 06
Total.....	398,430,562 48

Comparative statement of the total amount of United States currency outstanding at the close of each fiscal year for the last nine years.

Outstanding June 30, 1862.....	\$147,725,235 00
Outstanding June 30, 1863.....	411,223,045 00
Outstanding June 30, 1864.....	649,094,073 70
Outstanding June 30, 1865.....	698,918,800 25
Outstanding June 30, 1866.....	608,870,825 46
Outstanding June 30, 1867.....	536,567,523 02
Outstanding June 30, 1868.....	444,196,202 47
Outstanding June 30, 1869.....	391,649,558 61
Outstanding June 30, 1870.....	398,430,562 48

TEMPORARY LOAN CERTIFICATES.

Outstanding 4 per cents—

Payable at the Baltimore office.....	\$100,000
Payable at the Cincinnati office.....	75,000
Total of 4 per cents.....	\$175,000

Outstanding 5 per cents—

Payable at the Washington office.....	\$905
Payable at the New York office.....	500
Payable at the Philadelphia office.....	900
Payable at the Cincinnati office.....	400
Total of 5 per cents.....	2,705

Outstanding 6 per cents—

Payable at the Washington office.....	\$255
Payable at the Philadelphia office.....	2,200
Payable at the Cincinnati office.....	1,400
Total of 6 per cents.....	3,855
Total of all kinds outstanding.....	181,560

RECAPITULATION BY OFFICES.

Payable at the Washington office.....	\$1, 100
Payable at the New York office.....	500
Payable at the Philadelphia office.....	3, 100
Payable at the Baltimore office.....	100, 000
Payable at the Cincinnati office.....	76, 800
Total amount outstanding.....	<u>181, 500</u>

COIN CERTIFICATES.

Coin certificates of all issues received from the Printing Bureau, exclusive of amount destroyed statistically.

Twenty-dollar notes.....	\$960, 160
One-hundred-dollar notes.....	11, 645, 700
Five-hundred-dollar notes.....	19, 109, 000
One-thousand-dollar notes.....	72, 633, 000
Five-thousand-dollar notes.....	423, 725, 000
Ten-thousand-dollar notes.....	126, 390, 000
Total.....	<u>654, 462, 860</u>

Cash destruction of all issues—

Twenty-dollar notes.....	\$850, 300
One-hundred-dollar notes.....	10, 650, 600
Five-hundred-dollar notes.....	7, 874, 000
One-thousand-dollar notes.....	57, 640, 000
Five-thousand-dollar notes.....	309, 250, 000
Ten-thousand-dollar notes.....	19, 400, 000
Total destroyed.....	<u>405, 664, 900</u>
Redeemed, but not destroyed.....	<u>2, 757, 880</u>
Amount on hand.....	<u>\$408, 432, 780</u>
Amount outstanding.....	<u>211, 492, 900</u>
Total.....	<u>654, 462, 860</u>

Coin certificates, old series.

Denominations.	Received from printing bureau.	Amount on hand.	Issued.
\$20s.....	\$960, 160	\$160	\$960, 000
100s.....	11, 645, 700	800	11, 644, 900
500s.....	9, 004, 000	4, 000	9, 000, 000
1, 000s.....	60, 008, 000	8, 000	60, 000, 000
5, 000s.....	323, 040, 000	40, 000	323, 000, 000
10, 000s.....	25, 000, 000	.....	25, 000, 000
Total.....	<u>429, 657, 860</u>	<u>52, 800</u>	<u>429, 604, 900</u>
Deduct amount redeemed.....			<u>404, 942, 780</u>
Total old issue outstanding.....			<u>24, 662, 120</u>

Denominations.	Issued.	Redeemed.	Outstanding.
\$20s.....	\$960, 000	\$850, 300	\$109, 700
100s.....	11, 644, 900	10, 650, 600	994, 300
500s.....	9, 000, 000	7, 690, 000	1, 310, 000
1, 000s.....	60, 000, 000	54, 995, 000	5, 005, 000
5, 000s.....	323, 000, 000	309, 798, 000	13, 202, 000
10, 000s.....	25, 000, 000	17, 940, 000	7, 060, 000
Total.....	<u>429, 604, 900</u>	<u>402, 833, 900</u>	<u>26, 771, 000</u>
Deduct amount redeemed but not destroyed.....			<u>2, 008, 880</u>
Total old issue outstanding.....			<u>24, 762, 120</u>

Coin certificates, series of 1870.

Denominations.	Received from printing bureau.	Amount on hand.	Issued.
\$500s.....	\$10, 105, 000	\$9, 505, 000	\$600, 000
1, 000s.....	12, 625, 000	10, 080, 000	2, 545, 000
5, 000s.....	100, 685, 000	95, 995, 000	4, 690, 000
10, 000s.....	101, 390, 000	95, 860, 000	5, 530, 000
Total.....	224, 805, 000	211, 440, 000	13, 365, 000
Deduct amount redeemed.....			* 3, 480, 000
Total amount of outstanding.....			9, 885, 000

Denominations.	Issued.	Redeemed.	Outstanding.
\$500s.....	\$600, 000	\$184, 000	\$416, 000
1, 000s.....	2, 545, 000	645, 000	1, 900, 000
5, 000s.....	4, 690, 000	460, 000	4, 230, 000
10, 000s.....	5, 530, 000	1, 440, 000	4, 090, 000
Total.....	13, 365, 000	2, 729, 000	10, 636, 000
Deduct amount redeemed, but not destroyed.....			751, 000
Total amount outstanding.....			9, 885, 000

* This amount includes \$751,000 redeemed at New York, June 30, 1870, but not destroyed.

Total redemption of coin certificates since date of issue.

At Washington	\$625, 280
At Boston	15, 139, 020
At New York	350, 000, 500
At Philadelphia	712, 720
At Charleston	248, 920
At New Orleans	771, 420
At Saint Louis	440, 620
At San Francisco	1, 040
At Baltimore	9, 520, 520
At Buffalo	82, 980
At Chicago	346, 080
At Cincinnati	316, 300
At Saint Paul	9, 000
At Louisville	115, 620
At Mobile	86, 760
Total redemption since issue.....	408, 422, 780

Movements of coin certificates.

<i>Washington office notes—</i>	
Received from printing bureau.....	\$3, 200, 000
Redeemed and destroyed	\$3, 193, 200
On hand	800
	3, 194, 000
Outstanding	6, 000
<i>New York office notes—</i>	
Sent to New York previous to June 30, 1869	\$386, 680, 000
Sent to New York during fiscal year	64, 130, 000
Total amount sent to New York.....	450, 810, 000
Remaining on hand at New York, June 30, 1870.....	7, 885, 000
Total issued at New York office	442, 925, 000
Total redeemed of New York issues	408, 383, 880
Outstanding of New York issue	34, 541, 120
Total outstanding as per public debt statement, July 1, 1870	34, 547, 120

Coin certificates.

Issued—	
From November 13, 1865, to June 30, 1866	\$98, 493, 660
From June 30, 1866, to June 30, 1867	109, 121, 620
From June 30, 1867, to June 30, 1868	77, 960, 400
From June 30, 1868, to June 30, 1869	80, 663, 180
From June 30, 1869, to June 30, 1870	76, 731, 060
Total issued	442, 969, 900
Redeemed—	
From November 13, 1865, to June 30, 1866	\$87, 545, 800
From June 30, 1866, to June 30, 1867	101, 295, 900
From June 30, 1867, to June 30, 1868	79, 055, 340
From June 30, 1868, to June 30, 1869	65, 255, 620
From June 30, 1869, to June 30, 1870	75, 270, 120
Total redeemed	408, 422, 780
Total outstanding as per books of this office	34, 547, 120

Redemption of coin certificates for the fiscal year was for the amounts and at the places as follows:

New York	\$74, 707, 500
Boston	454, 750
Charleston	900
Baltimore	59, 500
Chicago	39, 100
Washington	5, 100
Total redemption of New York issue	75, 266, 950
Redeemed at Washington of Washington issue	3, 200
Total redemption	75, 270, 120
Outstanding June 30, 1870, as per public debt statement	*34, 547, 120
Total as above	109, 817, 240

Coin certificates, all issues outstanding, by denominations.

Twenty-dollar notes	\$105, 920
One-hundred-dollar notes	964, 700
Five-hundred-dollar notes	1, 637, 500
One-thousand-dollar notes	4, 679, 000
Five-thousand-dollar notes	17, 390, 000
Ten-thousand-dollar notes	9, 770, 000
Total amount outstanding	34, 547, 120

Coin certificates.

Balance of outstanding notes as per statement, June 30, 1869	\$33, 066, 180
Issued at New York during fiscal year	76, 727, 960
Issued at Washington during fiscal year	3, 100
Total	109, 817, 240

Up to the date of August 1, 1869, redemptions were made at the offices of the various assistant treasurers and depositories, but subsequent to that date redemptions were only made at the office of the assistant treasurer at New York.

* This includes \$151,120 redeemed at New York June 30, not returned to Washington.

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On hand at New York July 1, 1869, which were never issued.....	\$20, 482, 960
Sent to New York during fiscal year.....	64, 130, 000
Total	84, 612, 960
Less amount issued during fiscal year.....	76, 727, 960
On hand July 1, 1870, (never issued)	7, 885, 000
On hand, redeemed, on June 30, not returned to Washington.....	151, 120
Total on hand at New York, as per statement of Assistant Treasurer at New York.....	8, 036, 120

COIN CERTIFICATES, *Résumé.*

Amount received from printing bureau exclusive of amount destroyed statistically.....	\$654, 462, 860
Amount remaining in the offices at Washington and New York.....	211, 492, 960
Amount issued at Washington and New York.....	442, 969, 900
Amount redeemed and destroyed.....	\$405, 664, 900
Amount redeemed, but not yet destroyed	2, 757, 880
Total amount redeemed at close of fiscal year.....	408, 422, 780
Total amount outstanding at close of fiscal year	34, 547, 120

SEVEN-THIRTIES OF 1861, AND OF 1864 AND 1865.

Statement of conversions and redemptions of seven-thirties of 1861, and of 1864 and 1865, during the fiscal year, by series and denominations, and in gross amounts during former years, and gross amounts outstanding.

Seven-thirties of 1861—

16 fifties	\$800
7 one-hundreds.....	700
2 five-hundreds	1, 000
Redeemed during the fiscal year	2, 500
Redeemed previous to July 1, 1869	140, 062, 550
Total amount redeemed.....	140, 065, 050
Outstanding July 1, 1870	29, 700
Total original issue.....	140, 094, 750

First series August 15, 1864—

567 fifties	\$28, 350
421 one-hundreds.....	42, 100
40 five-hundreds	20, 000
19 one-thousands	19, 000
Redeemed during the fiscal year	109, 450
Redeemed previous to July 1, 1869	299, 718, 000
Total amount redeemed.....	299, 827, 450
Outstanding July 1, 1870	165, 050
Total original issue	299, 992, 500

Second series June 15, 1865—

421 fifties	\$21, 050
503 one-hundreds.....	50, 300
133 five-hundreds.....	66, 500
38 one-thousands.....	38, 000
1 five-thousand.....	5, 000

Redeemed during the fiscal year	\$180, 850
Redeemed previous to July 1, 1869	330, 636, 400
Total amount redeemed	330, 817, 250
Outstanding July 1, 1870	182, 750
Total original issue	331, 000, 000

Third series July 15, 1865—

1,330 fifties	\$66, 500
1,280 one-hundreds	128, 000
82 five-hundreds	41, 000
11 one-thousands	11, 000
Redeemed during the fiscal year	246, 500
Redeemed previous to July 1, 1869	198, 470, 000
Total amount redeemed	198, 716, 500
Outstanding July 1, 1870	283, 500
Total original issue	199, 000, 000

RECAPITULATION OF ALL THE ISSUES.

2,334 fifties	\$116, 700
2,211 one-hundreds	221, 100
257 five-hundreds	128, 500
68 one-thousands	68, 000
1 five-thousand	5, 000
Redeemed during the fiscal year	539, 300
Redeemed previous to July 1, 1869	968, 826, 950
Total amount redeemed	969, 426, 250
Outstanding July 1, 1870	661, 000
Total	970, 087, 250

Statement, by series and denominations, of seven-thirties of 1861, and of 1864 and 1865, outstanding on the 30th of June, 1870.

Seven-thirties of 1861—

96 fifties	\$4, 800
84 one-hundreds	8, 400
11 five-hundreds	5, 500
11 one-thousands	11, 000
Total	29, 700

First series August 15, 1864—

999 fifties	\$49, 950
691 one-hundreds	69, 100
66 five-hundreds	33, 000
13 one-thousands	13, 000
Total	165, 050

Second series July 15, 1865—

424 fifties	\$21, 200
565½ one-hundreds	56, 550
120 five-hundreds	60, 000
45 one-thousands	45, 000
Total	182, 750

Third series July 15, 1865—

1,571 fifties.....	\$78,550
1,264 one-hundreds.....	126,450
99 five-hundreds.....	49,500
29 one-thousands.....	29,000
Total.....	<u>283,500</u>

RECAPITULATION OF THE FOUR SERIES COMBINED.

3,090 fifties.....	\$154,500
2,605 one-hundreds.....	260,500
296 five-hundreds.....	148,000
98 one-thousands.....	98,000
	<u>661,000</u>

CERTIFICATES OF INDEBTEDNESS.

Statement of amounts issued redeemed and outstanding.

Old issue—	
Numbers 1 to 153,662 of \$1,000.....	\$153,662,000 00
Numbers 1 to 14,500 of \$5,000.....	72,500,000 00
Numbers 15,001 to 31,010 of \$5,000.....	80,050,000 00
Numbers 31,111 to 69,268 of \$5,000.....	190,790,000 00
Numbers 1 to 13 of various amounts.....	1,591,241 65
Total of first series issued.....	<u>498,593,241 65</u>
New issue—	
Numbers 1 to 15,145 of \$1,000.....	\$15,145,000 00
Numbers 1 to 9,603 of \$5,000.....	48,015,000 00
Total of second series issued.....	<u>63,160,000 00</u>
Total amount issued.....	<u>561,753,241 65</u>
Redeemed to July 1, 1869.....	\$561,746,241 65
Redeemed during fiscal year.....	2,000 00
Outstanding.....	5,000 00
	<u>561,753,241 65</u>

Five certificates of \$1,000 are outstanding, two of which are caveated.

Interest paid to July 1, 1869.....	\$31,157,002 09
Interest paid this fiscal year.....	106 52
Total amount of interest paid to July 1, 1870.....	<u>31,157,108 61</u>
Principal paid as above stated.....	<u>561,748,241 65</u>
Total principal and interest paid to July 1, 1870.....	<u>592,905,350 26</u>

The 100 numbers intermitted of \$5,000 certificates, above spoken of, were never printed nor received. The skipping over these numbers was an accident in the printing bureau; and as the next series of 100 notes had been issued, it was not thought advisable to issue lower numbers of a later date. So 100 numbers were never issued.

The history of the other amount that never was issued is as follows: On the 3d day of December, 1862, five hundred impressions of these one-year 6 per cent. certificates of indebtedness of the denomination of five thousand dollars, amounting in the aggregate to \$2,500,000, being printed numbers from 14,501 to 15,000, both inclusive, were abstracted from the Department.

They were all returned to the Department by detectives on the 6th day of February, 1863, and were destroyed by burning on the 18th day of

the same month and year. These numbers were dropped from the numerical register, and no certificates of indebtedness of the denomination of five thousand, bearing the numbers of those abstracted and destroyed as above mentioned, were ever issued.

REDEMPTION AND DESTRUCTION OF MONEYS AND SECURITIES WITHIN THE YEAR.

Old demand notes		\$17,483 25
Legal-tender notes, new issue.....	\$95,258,040 00	
Amount transferred from statistical account.....	39,818,425 00	
		135,076,465 00
Legal-tender notes, series of 1869.....		97,055 00
One-year notes of 1863		60,170 00
Two-year notes of 1863.....		23,350 00
Two-year coupon notes of 1863.....		5,300 00
Compound-interest notes		871,740 00
Fractional currency, first issue.....		128,712 65
Fractional currency, second issue		254,972 02
Fractional currency, third issue.....		13,314,204 67
Fractional currency, fourth issue		9,747,774 94
Coin certificates.....		73,632,200 00
Coin certificates, (series of 1870).....		2,729,000 00
Discounts on above.....		39,717 04
		236,003,149 17
Total amount destroyed as money.....		178,738 00
National bank notes, (in liquidation).....		
		236,181,827 17
Total.....		
Certificates of indebtedness.....	\$2,106 52	
Statistical matter destroyed.....	453,011,360 62	
Balance on hand July 1, 1870.....	1,035,064 51	
		454,048,531 65
Total amount.....		690,230,418 82

Cash account, Dr.

Balance from last year.....	\$434,135 49	
Amount received during the year.....	196,745,936 15	
Amount transferred from statistical account.....	39,818,425 00	
		\$236,998,496 64

Contra, Cr.

Amount destroyed during the year	196,145,007 13	
Transferred from statistical account.....	39,818,425 00	
Balance on hand July 1, 1870.....	1,035,064 51	
		\$236,998,496 64
Amount brought down.....	236,998,496 64	
Discount on same.....	39,717 04	
Certificates of indebtedness and interest.....	2,103 52	
National bank notes, (in liquidation)	178,738 00	
		\$237,219,053 20
Destroyed on statistical account.....	453,011,360 62	
Total amount for fiscal year.....	690,230,418 82	

Destroyed as money.

During fiscal year	\$236,003,149 17	
As per last report.....	1,194,953,509 32	
Total amount destroyed as money.....	\$1,430,956,658 49	

Destroyed statistically.

During the year.....	\$453,011,360 62
As per last report.....	1,970,092,173 90
Total.....	2,423,103,534 52
Less amount transferred to cash account.....	39,818,425 00
Total amount destroyed statistically.....	\$2,383,285,109 52

Certificates of Indebtedness.

Redeemed during year.....	2,106 52
As per last report.....	582,476,004 74
Not previously reported.....	10,427,239 00
Total amount certificates of indebtedness destroyed.....	592,905,350 26

National bank notes.

Destroyed during year.....	178,738 00
As per last report.....	1,123,442 00
Total amount national bank notes destroyed.....	1,302,180 00
Total.....	4,408,449,298 27

Total of all destroyed during the year.....	\$689,195,354 31
Total amount reported before.....	\$3,748,645,129 96
Less amount transferred from statistical account to cash account.....	39,818,425 00
Certificates of indebtedness not previously reported.....	3,708,826,704 96
Total.....	10,427,239 00
	4,408,449,298 27

DISCOUNT ON MUTILATED CURRENCY.

Discounts have been made for missing parts of mutilated currency destroyed up to and including June 30, 1870.

On old demand notes.....	\$2,108 50
On legal-tender notes, new issue.....	73,960 50
On one-year notes of 1863.....	237 00
On two-year notes of 1863.....	152 50
On two-year coupon notes of 1863.....	2 50
On compound-interest notes.....	480 00
On fractional currency, first issue.....	13,586 52
On fractional currency, second issue.....	9,072 58
On fractional currency, third issue.....	60,276 96
On fractional currency, fourth issue.....	228 46
Total.....	160,105 52
On money redeemed but not destroyed.....	22,430 35
Total discounts from beginning.....	182,535 87

These discounts were made for the amounts and in the years as follows, viz:

In the year 1863.....	\$615 27
In the year 1864.....	11,393 93
In the year 1865.....	13,108 09
In the year 1866.....	17,813 36
In the year 1867.....	24,767 69
In the year 1868.....	31,671 54
In the year 1869.....	39,543 56
In the year 1870.....	44,622 43
Total discounts from the beginning.....	182,535 87

DESTRUCTION OF PAPER MONEY.

There have been destroyed, since the commencement of the rebellion, papers representing money of the kinds, denominations, and numbers of each kind, as follows:

Old demand notes.

Five dollars.....	4,352,127½
Ten dollars.....	1,999,257½
Twenty dollars.....	908,631
Total number of notes destroyed.....	7,260,019

Legal-tender notes.

One dollar.....	18,505,362½
Two dollars.....	10,292,067
Five dollars.....	9,935,021½
Ten dollars.....	5,166,854
Twenty dollars.....	1,941,354
Fifty dollars.....	367,952
One hundred dollars.....	200,400
Five hundred dollars.....	70,677
One thousand dollars.....	115,822
Total number of notes destroyed.....	46,656,511

Legal-tender notes, series of 1869.

One dollar.....	24,507
Two dollars.....	19,104
Five dollars.....	200
Ten dollars.....	2,904
Twenty dollars.....	100
Fifty dollars.....	46
Total number of notes destroyed.....	46,861

One-year notes of 1863.

Ten dollars.....	616,976
Twenty dollars.....	818,102
Fifty dollars.....	164,272
One hundred dollars.....	136,144
Total number of notes destroyed.....	1,735,494

Two-year notes of 1863.

Fifty dollars.....	135,375
One hundred dollars.....	96,570
Total number of notes destroyed.....	231,945

Two-year coupon notes of 1863.

Fifty dollars.....	117,970
One hundred dollars.....	144,727
Five hundred dollars.....	80,526
One thousand dollars.....	80,273
Total number of notes destroyed.....	423,577

Fractional currency, first issue.

Five cents.....	23,943,929
Ten cents.....	24,224,007
Twenty-five cents.....	16,580,177
Fifty cents.....	15,175,150
Total number of notes destroyed.....	83,923,264

Fractional currency, second issue.

Five cents	41, 512, 194
Ten cents	52, 168, 960
Twenty-five cents	27, 455, 372
Fifty cents	11, 488, 033
Total number of notes destroyed	132, 624, 559

Fractional currency, third issue.

Three cents	16, 715, 528
Five cents	10, 217, 765
Ten cents	144, 311, 060
Twenty-five cents	111, 043, 703
Fifty cents	64, 608, 726
Total number of notes destroyed	346, 896, 785

Fractional currency, fourth issue.

Ten cents	22, 738, 826
Fifteen cents	5, 688, 732
Twenty-five cents	10, 273, 128
Fifty cents	8, 105, 058
Total number of notes destroyed	46, 805, 744

Coin certificates.

Twenty dollars	42, 515
One hundred dollars	106, 506
Five hundred dollars	15, 380
One thousand dollars	56, 995
Five thousand dollars	61, 758
Ten thousand dollars	1, 796
Total number of notes destroyed	284, 950

Coin certificates, series of 1870.

Five hundred dollars	368
One thousand dollars	645
Five thousand dollars	92
Ten thousand dollars	144
Total number of notes destroyed	1, 249

National bank notes, (in liquidation.)

One dollar	14, 814
Two dollars	5, 308
Five dollars	147, 534
Ten dollars	31, 387
Twenty dollars	8, 538
Fifty dollars	663
One hundred dollars	213
Total number of notes destroyed	208, 457

Compound-interest notes.

Ten dollars	2, 310, 914
Twenty dollars	1, 492, 848
Fifty dollars	1, 208, 085
One hundred dollars	448, 854
Five hundred dollars	135, 515
One thousand dollars	38, 391
Total number of notes destroyed	5, 634, 607

RECAPITULATION—NOTES DESTROYED.

Showing the number of notes of each kind destroyed during the year.

Old demand notes	2, 085
Legal-tender notes, new issue	12, 346, 000½
Legal-tender notes, series of 1869	46, 461
One-year notes of 1863	2, 776
Two-year notes of 1863	425
Two-year coupon notes of 1863	64
Compound interest notes	27, 981
Fractional currency, first issue	770, 829
Fractional currency, second issue	1, 860, 715
Fractional currency, third issue	56, 229, 575
Fractional currency, fourth issue	46, 805, 744
Coin certificates	51, 096
Coin certificates, series of 1870	1, 249
Total	118, 145, 460½
National bank notes	31, 172
Total number of notes destroyed during the year	118, 176, 632½
Number as per last report	554, 566, 389½
Total to July 1, 1870	672, 743, 022

DESTRUCTION ACCOUNT.

Showing the amount of face value of the various kinds of paper money destroyed since 1861 as money.

Old demand notes	\$50, 925, 852 50
Legal-tender notes, new issue	369, 208, 821 50
Legal-tender notes, series of 1869	97, 055 00
One-year notes of 1863	44, 359, 890 00
Two-year notes of 1863	16, 423, 750 00
Two-year coupon notes of 1863	149, 962, 400 00
Compound interest notes	264, 404, 250 00
Fractional currency, first issue	15, 752, 221 65
Fractional currency, second issue	19, 900, 365 20
Fractional currency, third issue	75, 508, 749 24
Fractional currency, fourth issue	9, 744, 003 40
Coin certificates	402, 935, 900 00
Coin certificates, series of 1870	2, 729, 000 00
Total amount destroyed as money	1, 430, 956, 658 49
Total amount destroyed statistically	2, 383, 285, 109 52
National bank notes in liquidation	1, 302, 180 00
Certificates of indebtedness, redeemed and canceled	592, 905, 350 26
Total amount destroyed up to July 1, 1870	4, 408, 449, 298 27

REDEMPTION ACCOUNT.

Showing redemptions of moneys since the beginning.

Moneys destroyed before July 1, 1869	\$1, 194, 953, 509 32
Moneys destroyed within the fiscal year	235, 963, 432 13
Discount on the same	39, 717 04
Total	1, 430, 956, 658 49
Broken national bank notes before July 1, 1869	\$1, 123, 442 00
Broken national bank notes during the fiscal year	178, 695 60
Discount on same	42 40
	1, 302, 180 00
Certificates of indebtedness before July 1, 1869	592, 903, 243 74
Certificates of indebtedness during the fiscal year	2, 106 52
	592, 905, 350 26

REPORT OF THE SECRETARY OF THE TREASURY.

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Statistical matter before July 1, 1869.....	\$1,970,092,173 90	
Statistical matter during the fiscal year.....	453,011,360 62	
	2,423,103,534 52	
Less amount transferred to cash account.....	39,818,425 00	\$2,383,285,109 52
Total amount destroyed to July 1, 1870.....		4,408,449,298 27
Balance on hand redeemed but not destroyed		1,035,064 51
Total redeemed up to July 1, 1870.....		4,409,484,362 78

Statements showing the amounts paid, amounts discounted for mutilations, and the total amounts retired from the beginning up to July 1, 1870.

Old demand notes.

Denominations.	Amount paid.	Amounts dis- counted.	Total amounts retired.
Five dollars	\$21,767,168 25	\$479 25	\$21,760,647 50
Ten dollars	19,992,144 25	440 75	19,992,585 00
Twenty dollars.....	18,171,431 50	1,188 50	18,172,620 00
Total.....	59,923,744 00	2,108 50	59,925,852 50

Legal-tender notes, new issue.

Denominations.	Amount paid.	Amounts dis- counted.	Total amounts retired.
One dollar.....	\$18,483,013 25	\$22,349 75	\$18,505,363 00
Two dollars.....	20,568,802 75	15,333 25	20,584,136 00
Five dollars.....	49,960,841 25	14,261 25	49,975,102 50
Ten dollars.....	51,658,772 25	9,767 75	51,668,540 00
Twenty dollars.....	38,818,854 00	8,226 00	38,827,080 00
Fifty dollars.....	18,445,942 50	1,657 50	18,447,600 00
One hundred dollars.....	20,038,225 00	1,715 00	20,040,000 00
Five hundred dollars.....	35,338,650 00	350 00	35,339,000 00
One thousand dollars.....	115,821,700 00	300 00	115,822,000 00
Total.....	369,134,861 00	73,960 50	369,208,821 50

Legal-tender notes, series of 1869.

Denominations.	Amounts paid.	Total amounts retired.
One dollar.....	\$24,507 00	\$24,507 00
Two dollars.....	38,208 00	38,208 00
Five dollars.....	1,000 00	1,000 00
Ten dollars.....	29,040 00	29,040 00
Twenty dollars.....	2,000 00	2,000 00
Fifty dollars.....	2,300 00	2,300 00
Total.....	97,055 00	97,055 00

One-year notes of 1863.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Ten dollars.....	\$6,169,729 00	\$31 00	\$6,169,760 00
Twenty dollars.....	16,361,914 00	126 00	16,362,040 00
Fifty dollars.....	8,213,545 00	55 00	8,213,600 00
One hundred dollars.....	13,614,375 00	25 00	13,614,400 00
Unknown	90 00		90 00
Total.....	44,359,653 00	237 00	44,359,890 00

PAPERS ACCOMPANYING THE

Two-year notes of 1863.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Fifty dollars	\$6,768,687 50	\$62 50	\$6,768,750 00
One hundred dollars	9,634,910 00	90 00	9,635,000 00
Total	16,423,597 50	152 50	16,423,750 00

Two-year coupon notes of 1863.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Fifty dollars	\$5,898,597 50	\$2 50	\$5,898,600 00
One hundred dollars	14,472,700 00		14,472,700 00
Five hundred dollars	40,298,000 00		40,298,000 00
One thousand dollars	89,283,000 00		89,283,000 00
Unknown	10,500 00		10,500 00
Total	149,962,797 50	2 50	149,962,800 00

Compound-interest notes.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Ten dollars	\$23,109,003 00	\$137 00	\$23,109,140 00
Twenty dollars	29,856,897 00	133 00	29,856,960 00
Fifty dollars	60,404,070 00	180 00	60,404,250 00
One hundred dollars	44,885,370 00	30 00	44,885,400 00
Five hundred dollars	67,757,500 00		67,757,500 00
One thousand dollars	38,391,000 00		38,391,000 00
Total	264,403,770 00	480 00	264,404,250 00

Fractional currency, first issue.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Five cents	\$1,195,696 96	\$1,499 49	\$1,197,196 45
Ten cents	2,890,251 07	2,149 63	2,892,400 70
Twenty-five cents	4,139,256 59	5,792 91	4,145,049 50
Fifty cents	7,583,430 51	4,144 49	7,587,575 00
Total	15,738,635 13	13,586 52	15,752,221 65

Fractional currency, second issue.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Five cents	\$2,073,609 18	\$1,010 52	\$2,075,600 70
Ten cents	5,213,198 52	3,697 48	5,216,896 00
Twenty-five cents	6,862,113 00	1,730 00	6,863,843 00
Fifty cents	5,742,281 92	1,734 58	5,744,016 50
Total	19,891,202 62	9,072 58	19,900,365 20

Fractional currency, third issue.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Three cents	\$501,317 85	\$147 99	\$501,465 84
Five cents	510,484 88	403 52	510,888 40
Ten cents	14,416,107 57	14,998 43	14,431,106 00
Twenty-five cents	27,741,643 73	19,282 02	27,760,925 75
Fifty cents	32,278,918 25	23,445 00	32,302,363 25
Total	75,448,472 28	60,276 96	75,508,749 24

Fractional currency, fourth issue.

Denominations.	Amounts paid.	Amounts dis- counted.	Total amounts retired.
Ten cents	\$2,273,826 74	\$53 86	\$2,273,880 60
Fifteen cents	853,289 34	20 46	853,309 80
Twenty-five cents	2,568,227 06	54 94	2,568,282 00
Fifty cents	4,032,431 60	97 20	4,032,528 80
Total	9,747,774 94	228 46	9,748,003 40

DISCOUNT ON MUTILATED MONEY.

There has been retained on the redemption of mutilated currency for parts of notes that were missing therefrom, as follows:

On moneys destroyed to July 1, 1870	\$160,105 52
On moneys destroyed to July 1, 1869	120,388 48

Discount in the fiscal year ending June 30, 1870	\$39,717 04
Discount on moneys redeemed but not destroyed up to July 1, 1870	\$22,430 35
Discount on moneys on hand July 1, 1869	17,524 96

Discount on moneys not destroyed, year ending June 30, 1870	4,905 39
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Total amount of discounts during the fiscal year	44,622 43
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Amount of discounts before July 1, 1869	\$137,913 44
Amount of discounts in fiscal year ending June 30, 1870	44,622 43

Total of all discounts up to July 1, 1870	182,535 87
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DESTRUCTION OF STATISTICAL MATTER DURING THE FISCAL YEAR
ENDING JUNE 30, 1870.

Coin certificates—

Twenty dollars	\$1,039,840 00
One hundred dollars	3,154,300 00
Five hundred dollars	29,996,000 00
One thousand dollars	56,992,000 00
Five thousand dollars	146,960,000 00
	<u>\$238,142,140 00</u>

Coin certificates, series of 1870—

Five hundred dollars	145,000 00
One thousand dollars	275,000 00
Five thousand dollars	2,815,000 00
Ten thousand dollars	1,610,000 00
	<u>4,845,000 00</u>

Legal-tender notes, series of 1869—		
One dollar.....	\$290,000 00	
Two dollars.....	989,600 00	
Five dollars.....	1,256,020 00	
Ten dollars.....	3,744,000 00	
Twenty dollars.....	897,040 00	
Fifty dollars.....	766,000 00	
One hundred dollars.....	1,204,000 00	
Five hundred dollars.....	270,000 00	
One thousand dollars.....	396,000 00	
		\$10,412,660 00
Fractional currency, 4th issue, 1st series—		
Ten cents.....	140,674 00	
Fifteen cents.....	184,220 00	
Twenty-five cents.....	719,340 00	
Fifty cents.....	4,585,452 00	
		5,629,686 00
Fractional currency, 4th issue, 2d series—		
Fifty cents.....		55,048 00
Treasury notes of 1857—		
Fifty dollars.....	2,300,750 00	
One hundred dollars.....	4,845,000 00	
Five hundred dollars.....	10,191,500 00	
One thousand dollars.....	20,654,000 00	
Five thousand dollars.....	7,330,000 00	
		45,321,250 00
Coupon bonds, loan of 1848—		
One thousand dollars.....	193,000 00	
Three thousand dollars.....	426,000 00	
Five thousand dollars.....	240,000 00	
Ten thousand dollars.....	2,710,000 00	
		3,569,000 00
Coupon bonds, loan of 1858—		
One thousand dollars.....		506,000 00
Conpon bonds, loan of 1860—		
One thousand dollars.....		2,000 00
Conpon bonds, loan of 1861, (exchanges)—		
Fifty dollars.....	16,950 00	
One hundred dollars.....	145,900 00	
Five hundred dollars.....	163,000 00	
One thousand dollars.....	817,000 00	
		1,142,850 00
Coupon bonds, 5-20s of 1862, 1st series, (exchanges)—		
Fifty dollars.....	26,000 00	
One hundred dollars.....	73,900 00	
Five hundred dollars.....	61,500 00	
One thousand dollars.....	224,000 00	
		385,400 00
Coupon bonds, 5-20s of 1862, 2d series, (exchanges)—		
Fifty dollars.....	20,600 00	
One hundred dollars.....	126,800 00	
Five hundred dollars.....	47,000 00	
One thousand dollars.....	226,000 00	
		420,400 00
Coupon bonds, 5-20s of 1862, 3d series, (exchanges)—		
Fifty dollars.....	16,550 00	
One hundred dollars.....	111,800 00	
Five hundred dollars.....	22,000 00	
One thousand dollars.....	213,000 00	
		363,350 00
Coupon bonds, 5-20s of 1862, 4th series, (exchanges)—		
Fifty dollars.....	19,950 00	
One hundred dollars.....	172,000 00	
Five hundred dollars.....	64,500 00	
One thousand dollars.....	300,000 00	
		556,450 00

Coupon bonds, 10-40s of 1864—		
Fifty dollars	\$1,100 00	
One hundred dollars	8,900 00	
Five hundred dollars	100,000 00	
One thousand dollars	22,850,000 00	
		\$22,960 000 00
Coupon bonds, 5-20s of June 1864—		
One thousand dollars		1,515,000 00
Coupon bonds, loan of 1865, 3d series—		
Fifty dollars	243,250 00	
One hundred dollars	723,000 00	
Five hundred dollars	1,062,500 00	
One thousand dollars	7,052,000 00	
		9,080,750 00
Coupon bonds, consols of 1867—		
Fifty dollars	363,450 00	
One hundred dollars	39,700 00	
Five hundred dollars	2,591,000 00	
One thousand dollars	15,343,000 00	
		18,337,150*00
Coupon bonds, consols of 1868—		
Fifty dollars	64,300 00	
One hundred dollars	100,000 00	
Five hundred dollars	750,000 00	
One thousand dollars	3,000,000 00	
		3,914,300 00
Coupon bonds, consols of 1867, (exchanges)—		
Fifty dollars	280,150 00	
One hundred dollars	905,400 00	
Five hundred dollars	1,574,500 00	
One thousand dollars	10,217,000 00	
		12,977,050 00
Coupon bonds, consols of 1868, (exchanges)—		
Fifty dollars	135,300 00	
One hundred dollars	463,700 00	
Five hundred dollars	691,000 00	
One thousand dollars	4,879,000 00	
		6,169,000 00
Coupon bonds, consols of 1865—		
Fifty dollars	30,000 00	
One hundred dollars	95,700 00	
Five hundred dollars	6,923,000 00	
One thousand dollars	36,079,000 00	
		43,127,700 00
Coupon bonds, 10-40s of 1864—		
One thousand dollars		1,851,000 00
Coupon bonds, Oregon war debt—		
Five hundred dollars		15,000 00
Coupon bonds, Texas indemnity—		
One thousand dollars		1,000 00
Coupons, loan of 1865		
		13,500 00
Coupons, consols of 1867		
		1,362,885 00
Coupons, consols of 1868		
		86,320 50
Registered certificates, loan of 1863, (1881s)—		
Fifty dollars	700 00	
One hundred dollars	900 00	
Five hundred dollars	17,000 00	
One thousand dollars	70,000 00	
Five thousand dollars	200,000 00	
Ten thousand dollars	370,000 00	
		658,600 00

Registered certificates, March 3, 1865—

Fifty dollars	\$1,500 00	
One hundred dollars	333,100 00	
Five hundred dollars	47,000 00	
One thousand dollars	34,000 00	
Five thousand dollars	420,000 00	
Ten thousand dollars	250,000 00	
		\$1,085,600 00

Registered certificates, 10-40s of 1864—

Fifty dollars	1,300 00	
One hundred dollars	1,600 00	
Five hundred dollars	37,000 00	
One thousand dollars	358,000 00	
Five thousand dollars	465,000 00	
Ten thousand dollars	5,140,000 00	
		6,002,900 00

Registered certificates, loan of July and August 1861, (1881s)—

Fifty dollars	600 00	
One hundred dollars	4,400 00	
		5,000 00

Registered certificates, 5-20s of June 1864—

One hundred dollars		8,500 00
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Registered certificates, Pacific Railroad—

One thousand dollars	6,031,000 00	
Five thousand dollars	860,000 00	
Ten thousand dollars	3,530,000 00	
		10,421,000 00

Internal revenue stamps		2,057,861 12
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Total for fiscal year

Amount as per last report	1,970,092,173 90	453,011,360 62
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Less amount transferred to cash account	39,818,425 00	
		1,930,273,748 90

Total to July 1, 1870		2,383,285,109 52
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Number of notes, &c., destroyed during the fiscal year ending June 30, 1870, on statistical account.

Coin certificates	229,911
Coin certificates, series of 1870	1,249
Legal-tender notes, series of 1869	2,083,552
Fractional currency, 4th issue	14,683,204
Fractional currency, 4th issue, (Stanton)	110,096
Treasury notes of 1857	136,968
Coupon bonds, loan of 1848	654
Coupon bonds, loan of 1858	506
Coupon bonds, loan of 1860	2
Coupon bonds, loan of February 1861, (1881s)	2,941
Coupon bonds, 1st series, 5-20s of 1862	1,606
Coupon bonds, 2d series, 5-20s of 1862	2,000
Coupon bonds, 3d series, 5-20s of 1862	1,706
Coupon bonds, 4th series, 5-20s of 1862	2,544
Coupon bonds, 10-40s of 1864	23,161
Coupon bonds, 5-20s of June 1864	1,515
Coupon bonds, 5-20s of 1865	21,272
Coupon bonds, consols of 1867	28,191
Coupon bonds, consols of 1868	6,786
Coupon bonds, consols of 1867, (exchanges)	24,023
Coupon bonds, consols of 1868, (exchanges)	13,604
Coupon bonds, consols of 1865	51,442
Coupon bonds, 10-40s of 1864	1,851
Coupon bonds, Oregon war debt	30
Coupon bonds, Texan indemnity	1
Registered certificates, loan of 1863, (1881s)	204
Registered certificates, 5-20s of 1865	3,528
Registered certificates, 10-40s of 1864	1,041

Registered certificates, July and August 1861, (1881a).....	56
Registered certificates, 5-20s of June 1864	85
Registered certificates, Pacific Railroad.....	6, 556

Total number for fiscal year.....	17, 444, 479
Number as per last report.....	13, 208, 616

Total number of notes to July 1, 1870.....	30, 653, 095
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DESTRUCTION OF NOTES OF NATIONAL BANKS IN LIQUIDATION.

National banks in liquidation, notes destroyed—by denominations.

Denomination.	Amounts paid.	Amounts discounted.	Total.
One dollar.....	\$14, 809 25	\$4 75	\$14, 814 00
Two dollars.....	10, 614 90	1 10	10, 616 00
Five dollars.....	737, 619 75	50 25	737, 670 00
Ten dollars.....	313, 856 00	14 00	313, 870 00
Twenty dollars.....	170, 758 00	2 00	170, 760 00
Fifty dollars.....	33, 150 00	.....	33, 150 00
One hundred dollars.....	21, 300 00	.....	21, 300 00
Total.....	1, 302, 107 90	72 10	1, 302, 180 00

National banks in liquidation, notes destroyed—by banks.

Title.	During fiscal year.	As per last report.	Total.
First National Bank of Attica, New York.....	\$2, 340 00	\$37, 528 00	\$39, 868 00
First National Bank of Carondelet, Missouri.....	1, 728 00	20, 174 50	21, 894 50
First National Bank of Columbia, Missouri.....	825 00	8, 450 00	9, 275 00
First National Bank of Medina, New York.....	2, 144 50	32, 512 75	34, 657 25
First National Bank of Newton, Massachusetts.....	.....	2, 198 25	2, 198 25
First National Bank of New Orleans, Louisiana.....	10, 305 00	141, 926 00	152, 231 00
First National Bank of Selma, Alabama.....	6, 160 00	63, 152 50	69, 312 50
First National Bank of Keokuk, Iowa.....	10, 954 00	59, 767 50	70, 721 50
First National Bank of Bethel, Connecticut.....	4, 185 00	13, 605 00	17, 790 00
First National Bank of Rockford, Illinois.....	11, 675 00	4, 050 00	15, 725 00
First National Bank of Jackson, Mississippi.....	1, 086 75	.....	1, 086 75
First National Bank of Worcester, New York.....	6, 012 00	.....	6, 012 00
First National Bank of Cedarburg, Wisconsin.....	3, 599 75	.....	3, 599 75
First National Bank of Nevada, Austin, Nevada.....	3, 918 50	.....	3, 918 50
First National Bank of Oskaloosa, Iowa.....	966 10	.....	966 10
First National Bank of Appleton, Wisconsin.....	915 00	.....	915 00
First National Bank of Marion, Ohio.....	1, 619 80	.....	1, 619 80
Merchants' National Bank of Washington, District of Columbia.....	9, 230 00	148, 359 75	157, 589 75
Venango National Bank of Franklin, Pennsylvania.....	3, 595 00	74, 038 50	77, 633 50
Farmers and Citizens' National Bank of Brooklyn, New York.....	21, 885 30	187, 553 50	209, 438 80
Croton National Bank of New York, New York.....	13, 316 40	139, 252 55	152, 568 95
Tennessee National Bank of Memphis, Tennessee.....	5, 530 00	73, 119 00	78, 649 00
Unadilla National Bank of Unadilla, New York.....	5, 834 50	81, 157 50	86, 992 00
Farmers' National Bank of Waukesha, Wisconsin.....	23, 969 00	24, 758 00	48, 727 00
The National Bank of Vicksburg, Mississippi.....	4, 219 75	11, 709 25	15, 929 00
Commercial National Bank of Cincinnati, Ohio.....	22, 789 00	.....	22, 789 00
Total destroyed during the year.....	178, 795 35	.....	.....
Total destroyed as per last report.....	.....	1, 123, 312 55	.....
Total destroyed from the beginning.....	.....	.....	1, 302, 107 90
Discounts during the year.....	42 40	.....	.....
Discounts as per last report.....	29 70	.....	.....
Total discounts from beginning.....	.....	.....	72 10
Total destructions to July 1, 1870.....	.....	.....	1, 302, 180 00

NATIONAL BANKS.

The number of national banks that had deposited United States securities with this office, preliminary to their organization, June 30, 1869, was	1,692
Number of new banks organized during last fiscal year	6
Whole number of banks, June 30, 1870	<u>1,698</u>

The number of banks having securities in custody of this office for their circulating notes, and that have paid duties, was, on the 30th June last	1,660
Failed prior to June 30, 1869, and securities sold	12
Failed prior to June 30, 1869, securities in part still held	2
Failed in last fiscal year, securities still held	1
Banks having no circulation, securities withdrawn	12
In liquidation, money deposited to redeem circulation prior to June 30, 1869	5
In liquidation, money to redeem deposited in last fiscal year	6
Number of banks organized	<u>1,698</u>

The number of banks in voluntary liquidation on the 30th June, 1869, was	54
Number gone into voluntary liquidation in last fiscal year....	12
Number in voluntary liquidation	<u>66</u>

NEW NATIONAL BANKS.

The six new banks made their first deposits of securities in the following order:

- The National Bank of Commerce, of Chicago, Illinois.
- The National Bank of Lebanon, at Lebanon, Kentucky.
- The First National Bank of Utah, at Salt Lake City.
- The First National Bank of Leon, Iowa.
- The First National Bank of Port Henry, New York.
- The Howard National Bank of Burlington, Vermont.

NATIONAL BANKS THAT HAVE FAILED.

- First National Bank of Attica, New York, in 1865.
- Merchants' National Bank of Washington, District of Columbia, in 1866.
- Venango National Bank, Franklin, Pennsylvania, in 1866.
- First National Bank of Medina, New York, in 1867.
- Tennessee National Bank, Memphis, Tennessee, in 1867.
- First National Bank of Newton, at Newtonville, Massachusetts, in 1867.
- First National Bank of New Orleans, Louisiana, in 1867.
- First National Bank of Selma, Alabama, in 1867.
- National Unadilla Bank of Unadilla, New York, in 1868.
- Farmers and Citizens' National Bank of Brooklyn, New York, in 1868.
- Croton National Bank of New York, New York, in 1868.
- First National Bank of Bethel, Connecticut, in 1868.

First National Bank of Keokuk, Iowa, in 1868.

National Bank of Vicksburg, Mississippi, in 1868.

First National Bank of Rockford, Illinois, in 1869.

First National Bank of Nevada, Austin, Nevada, in 1869.

Whole number of banks that have failed, 15.

The circulating notes of the First National Bank of Newton, at Newtonville, Massachusetts, have been assumed by the National Security Bank of Boston, Massachusetts.

NATIONAL BANKS IN VOLUNTARY LIQUIDATION THAT HAVE DEPOSITED MONEY IN THE TREASURY TO REDEEM THEIR CIRCULATION.

Before July 1, 1869—

The First National Bank of Columbia, Missouri, in 1865.

The First National Bank of Carondelet, Missouri, in 1866.

The Farmers' National Bank of Waukesha, Wisconsin, in 1868.

The First National Bank of Jackson, Mississippi, in 1869.

The First National Bank of Cedarburg, Wisconsin, in 1869.

In the last fiscal year—

The National Bank of Lansingburgh, New York.

The Appleton National Bank of Appleton, Wisconsin.

The First National Bank of Oskaloosa, Iowa.

The Commercial National Bank of Cincinnati, Ohio.

The First National Bank of South Worcester, New York.

The First National Bank of Marion, Ohio.

The whole number that have deposited funds and withdrawn their securities is 11.

Redemption of circulating notes of national banks in liquidation.

Names of banks.	Redeemed to July 1, 1869.	Redeemed in fiscal year.	Total redemption.
Farmers' National Bank of Waukesha, Wisconsin	\$29,948 00	\$23,238 25	\$53,186 25
First National Bank of Carondelet, Missouri	20,634 50	1,590 00	22,224 50
First National Bank of Columbia, Missouri	8,670 00	685 00	9,355 00
First National Bank of Jackson, Mississippi	7 50	1,594 25	1,601 75
First National Bank of Cedarburg, Wisconsin .....	.....	4,709 00	4,709 00
First National Bank of Oskaloosa, Iowa .....	.....	3,452 95	3,452 95
First National Bank of South Worcester, New York .....	.....	9,558 00	9,558 00
First National Bank of Marion, Ohio .....	.....	3,783 40	3,783 40
First National Bank of Attica, New York	38,228 00	1,960 00	40,188 00
First National Bank of Medina, New York	32,912 75	2,149 50	35,062 25
First National Bank of New Orleans, Louisiana	144,511 00	10,900 00	155,411 00
First National Bank of Selma, Alabama	64,377 50	6,290 00	70,667 50
First National Bank of Bethel, Connecticut	14,255 00	4,160 00	18,415 00
First National Bank of Keokuk, Iowa	62,342 25	10,279 25	72,621 50
First National Bank of Rockford, Illinois	6,730 00	13,025 00	19,755 00
First National Bank of Nevada, Austin, Nevada .....	.....	11,682 25	11,682 25
Appleton National Bank of Appleton, Wisconsin .....	.....	1,828 00	1,828 00
Commercial National Bank of Cincinnati, Ohio .....	.....	27,706 00	27,706 00
National Bank of Lansingburgh, New York .....	.....	2,382 80	2,382 80
Farmers and Citizens' National Bank of Brooklyn, New York	191,923 50	21,139 00	213,062 50
Venango National Bank of Franklin, Pennsylvania	74,798 50	3,450 00	78,248 50
National Unadilla Bank of Unadilla, New York	82,157 50	6,189 50	88,347 00
Tennessee National Bank of Memphis, Tennessee	74,219 00	5,400 00	79,619 00
Merchants' National Bank of Washington, District of Columbia	150,489 75	8,890 00	159,379 75
Croton National Bank of New York, New York	142,407 55	12,578 35	154,985 90
National Bank of Vicksburg, Mississippi	12,609 25	4,134 75	16,744 00
Total	1,151,221 55	202,755 25	1,353,976 80
Total notes destroyed during fiscal year	178,695 60	.....	.....
Discounts on same	42 40	.....	.....
Total destroyed as per last report	1,123,412 30	178,738 00	.....
Discounts on same	29 70	.....	.....
		1,123,442 00	1,302,190 00

Circulating notes outstanding of national banks in liquidation.

Farmers' National Bank of Waukesha, Wisconsin.....	\$36,813 75
First National Bank of Carondelet, Missouri.....	3,275 50
First National Bank of Columbia, Missouri.....	80,645 00
First National Bank of Jackson, Mississippi.....	38,898 25
First National Bank of Cedarburg, Wisconsin.....	85,291 00
First National Bank of Oskaloosa, Iowa.....	64,047 05
First National Bank of South Worcester, New York.....	147,842 00
First National Bank of Marion, Ohio.....	106,066 60
First National Bank of Attica, New York.....	3,812 00
First National Bank of Medina, New York.....	4,937 75
First National Bank of New Orleans, Louisiana.....	24,589 00
First National Bank of Selma, Alabama.....	14,332 50
First National Bank of Bethel, Connecticut.....	7,885 00
First National Bank of Keokuk, Iowa.....	17,378 50
First National Bank of Rockford, Illinois.....	25,245 00
First National Bank of Nevada, Austin, Nevada.....	118,017 75
Appleton National Bank of Appleton, Wisconsin.....	43,172 00
Commercial National Bank of Cincinnati, Ohio.....	318,244 00
National Bank of Lansingburgh, New York.....	132,617 20
Farmers and Citizens' National Bank of Brooklyn, New York.....	40,837 50
Venango National Bank of Franklin, Pennsylvania.....	6,751 50
National Unadilla Bank of Unadilla, New York.....	11,633 00
Tennessee National Bank of Memphis, Tennessee.....	10,381 00
Merchants' National Bank of Washington, District of Columbia.....	20,620 25
Croton National Bank of New York, New York.....	25,014 10
National Bank of Vicksburg, Mississippi.....	8,756 00
Total outstanding.....	1,397,123 20

Total circulation, \$2,751,100; redeemed, \$1,353,976 80; outstanding, \$1,397,123 20.

Deposits made and balances remaining to credit of national banks in liquidation.

Names of banks.	Deposits to re-deem notes.	Balance re-maining.
Farmers' National Bank of Waukesha, Wisconsin.....	\$90,000 00	\$36,813 75
First National Bank of Carondelet, Missouri.....	25,500 00	3,275 50
First National Bank of Columbia, Missouri.....	11,990 00	2,635 00
First National Bank of Jackson, Mississippi.....	40,500 00	38,898 25
First National Bank of Cedarburg, Wisconsin.....	72,000 00	67,291 00
First National Bank of Oskaloosa, Iowa.....	63,745 00	60,292 05
First National Bank of South Worcester, New York.....	132,900 00	143,342 00
First National Bank of Marion, Ohio.....	105,833 00	102,049 60
First National Bank of Attica, New York.....	44,000 00	3,812 00
First National Bank of Medina, New York.....	40,000 00	4,937 75
First National Bank of New Orleans, Louisiana.....	135,874 15	463 15
First National Bank of Selma, Alabama.....	85,000 00	14,332 50
First National Bank of Bethel, Connecticut.....	26,300 00	7,885 00
First National Bank of Keokuk, Iowa.....	90,000 00	17,378 50
First National Bank of Rockford, Illinois*.....	17,475 00	.....
First National Bank of Nevada, Austin, Nevada†.....	75 00	.....
Appleton National Bank of Appleton, Wisconsin.....	45,000 00	43,172 00
Commercial National Bank of Cincinnati, Ohio.....	345,930 00	318,244 00
National Bank of Lansingburgh, New York.....	45,000 00	42,617 20
Farmers and Citizens' National Bank of Brooklyn, New York.....	253,900 00	40,837 50
Venango National Bank of Franklin, Pennsylvania.....	85,000 00	6,751 50
National Unadilla Bank of Unadilla, New York.....	100,000 00	11,633 00
Tennessee National Bank of Memphis, Tennessee.....	90,000 00	10,381 00
Merchants' National Bank of Washington, District of Columbia.....	180,000 00	20,620 25
Croton National Bank of New York, New York.....	180,000 00	25,014 10
National Bank of Vicksburg, Mississippi.....	25,500 00	8,756 00
Total.....	2,371,542 15	1,031,432 60

* First National Bank of Rockford, Illinois, is overdrawn \$2,380.

† First National Bank of Nevada, Austin, Nevada, is overdrawn \$11,607 25.

Securities held in trust to assure the redemption of circulating notes, June 30, 1870.

Registered United States bonds, 6 per cent., coin.....	\$229,599,350	
Registered 10-40s, 5 per cent., coin.....	94,917,200	
Registered currency bonds, 6 per cent., currency.....	17,740,000	
Coupon, 10-40s, 5 per cent., coin.....	6,000	
Coupon bonds, 6 per cent., coin.....	16,000	
		\$342,278,550
Amount held June 30, 1869.....		342,851,600
Amount withdrawn in fiscal year.....		16,381,500
Amount received in fiscal year.....		15,808,450

Securities held in trust to assure public deposits, June 30, 1870.

Registered United States bonds, 6 per cent., coin.....	\$10,163,750	
Registered bonds, 5 per cent., coin.....	2,542,700	
Registered currency bonds, 6 per cent.....	915,000	
Coupon bonds, 6 per cent., coin.....	1,231,700	
Coupon bonds, 5 per cent., coin.....	1,219,350	
Personal bonds.....	330,000	
		16,402,500
Amount held June 30, 1869.....		25,423,350
Withdrawn in fiscal year.....		11,411,350
Received in fiscal year.....		2,060,500
The number of banks constituted depositaries of the United States was, on the 30th June, 1869.....		276
Number discontinued in fiscal year.....		131
Number designated in fiscal year.....		3
Number on the 30th June, 1870.....		148

Statement of the whole amount of United States stocks held in trust for both the circulating notes and the public moneys deposited with national banks, designating the amount of each loan, rate of interest, and when redeemable.

Date of act.	Rate of interest.	When redeemable.	Amount.
REGISTERED BONDS.			
June 14, 1858.....	5 per cent. coin.....	January 1, 1874.....	\$685,000
June 22, 1860.....	5 per cent. coin.....	January 1, 1871.....	35,000
February 8, 1861.....	6 per cent. coin.....	December 31, 1890.....	3,761,000
July 17 and August 5, 1861.....	6 per cent. coin.....	June 30, 1881.....	60,283,408
February 25, 1862.....	6 per cent. coin.....	April 30, 1867.....	57,789,700
March 3, 1863.....	6 per cent. coin.....	June 30, 1881.....	33,987,750
March 3, 1864.....	5 per cent. coin.....	February 28, 1874.....	96,758,900
June 30, 1864.....	6 per cent. coin.....	October 31, 1869.....	34,608,600
March 3, 1864.....	6 per cent. coin.....	October 31, 1869.....	2,938,500
First series, March 3, 1865.....	6 per cent. coin.....	October 31, 1870.....	25,985,200
Second series, March 3, 1865.....	6 per cent. coin.....	July 1, 1870.....	12,601,000
Third series, March 3, 1865.....	6 per cent. coin.....	July 1, 1872.....	7,171,950
Fourth series, March 3, 1865.....	6 per cent. coin.....	July 1, 1873.....	638,000
July 1, 1862, and July 2, 1864.....	6 per cent. currency.....	January 1895 to 1898.....	18,635,000
COUPON BONDS.			
February 8, 1861.....	6 per cent. coin.....	December 31, 1890.....	12,000
July 17 and August 5, 1861.....	6 per cent. coin.....	June 30, 1881.....	187,900
February 25, 1861.....	6 per cent. coin.....	April 30, 1867.....	232,700
March 3, 1863.....	6 per cent. coin.....	June 30, 1881.....	213,100
March 3, 1864.....	5 per cent. coin.....	February 28, 1874.....	1,225,350
June 30, 1864.....	6 per cent. coin.....	October 31, 1869.....	102,000
March 2, 1861.....	6 per cent. coin.....	July 1, 1881.....	41,000
First series, March 3, 1865.....	6 per cent. coin.....	October 31, 1870.....	87,500
Second series, March 3, 1865.....	6 per cent. coin.....	July 1, 1870.....	289,500
Third series, March 3, 1865.....	6 per cent. coin.....	July 1, 1872.....	82,000
Personal bonds held for public deposits.....			330,000
Total securities held June 30, 1870.....			358,681,050

The number of banks that have complied with the requirements of the 25th section of the national currency act, by causing an examination of their securities in this office during the last fiscal year, is 1,055.

Payment of coin interest of coupon bonds held in trust was made in the last year by the issue of 203 coin drafts, amounting to \$159,953 50.

The depositary accounts with the one hundred and thirty-one national

banks that have ceased to be depositaries of Government funds during the last year have been promptly settled and balances paid over in every instance. Claims for public moneys with the Venango National Bank of Franklin, Pennsylvania, and the First National Bank of Selma, Alabama, remain unsettled.

Statement of semi-annual duty paid to the Treasurer by national banks, under section 41 of the national currency act, during the year preceding January 1, 1870.

For the term of six months preceding July 1, 1869—	
On circulation	\$1, 478, 138 89
On deposits	1, 281, 195 98
On capital	163, 151 27
	<u>\$2, 922, 486 14</u>
For the term of six months preceding January 1, 1870—	
On circulation	\$1, 478, 029 13
On deposits	1, 244, 375 89
On capital	185, 996 70
	<u>2, 908, 401 72</u>
Total duty for the year	<u>5, 830, 887 86</u>
Amount of unpaid duty of banks in liquidation—	
January 1, 1869, was	\$3, 334 48
Unpaid during the year	744 89
	<u>\$4, 079 37</u>
Less amount paid during the year	146 85
Amount due and unpaid January 1, 1870	<u>3, 932 52</u>

Duties refunded to banks in the last fiscal year under a resolution in relation to national banking associations, approved March 2, 1867, viz :

Refunded for six months preceding—	
July 1, 1865	\$176 40
January 1, 1866	607 06
July 1, 1866	387 05
January 1, 1867	730 34
July 1, 1867	578 01
January 1, 1868	964 28
July 1, 1868	1, 226 21
January 1, 1869	1, 438 02
July 1, 1869	350 45
January 1, 1870	21 14
	<u>\$6, 478 96</u>
The preceding was refunded on undivided profits	\$3, 664 90
Capital	2, 814 06
	<u>\$6, 478 96</u>
Amount of duty received as per last report	\$5, 911, 280 64
Amount received in year preceding January 1, 1870	5, 830, 887 86
Decrease of duty	<u>80, 392 78</u>

A considerable number of banks are dilatory in payment of their duty, the delay in some instances seeming to be wilful, in others careless omission. The loss of interest caused thereby to the treasury is enough to warrant an amendment of the law and the exaction of a penalty for non-payment. The period of one month within which the law now requires payment of semi-annual duty—January and July—is practically a months' credit to most of the banks, and it is suggested that a percentage upon such duty be added to it for every ten or fifteen days' delay after the expiration of the one month's time now allowed. The amount of the duty for every ten days' delay in

payment, after January and July, would insure more prompt remittances from delinquent banks.

COUPON INTEREST.

Statement of coupon interest paid in coin during the year ending June 30, 1870.

Number of coupons.	Denominations.	Amount.	Total.
Loan of 1858—			
28, 976	Twenty-five dollars		\$724, 400 00
Loan of 1860—			
1, 803	Twenty-five dollars		45, 075 00
Loan of February 8, 1861, (1861s)—			
10, 394	Thirty dollars		811, 820 00
Oregon war debt—			
423	Three dollars	\$1, 289 00	
930	Six dollars	5, 700 00	
3, 274	Fifteen dollars	49, 110 00	
			56, 079 00
Loan of July & Aug., 1861, (1861s)—			
8, 023	One dollar and fifty cents	12, 034 50	
33, 973	Three dollars	161, 919 00	
60, 642	Fifteen dollars	909, 630 00	
109, 296	Thirty dollars	3, 278, 880 00	
			4, 302, 463 50
Five-twenties of 1862—			
169, 530	One dollar and fifty cents	254, 295 00	
438, 572	Three dollars	1, 315, 716 00	
276, 268	Fifteen dollars	4, 144, 030 00	
564, 458	Thirty dollars	16, 933, 740 00	
7	Fractional	23 11	
			22, 647, 794 11
Loan of 1863, (1861s)—			
3, 311	One dollar and fifty cents	4, 966 50	
11, 309	Three dollars	33, 927 00	
12, 435	Fifteen dollars	186, 525 00	
30, 192	Thirty dollars	1, 175, 760 00	
			1, 401, 178 50
Ten-forties of 1864—			
6, 931	Two dollars and fifty cents	17, 327 50	
23, 166	Five dollars	115, 800 00	
56, 639	Twelve dollars and fifty cts.	707, 987 50	
97, 902	Twenty-five dollars	2, 447, 550 00	
1, 570	Fractional	4, 077 14	
			3, 292, 742 14
Five-twenties of June, 1864—			
7, 293	One dollar and fifty cents	10, 939 50	
34, 228	Three dollars	102, 684 00	
35, 044	Fifteen dollars	525, 660 00	
90, 282	Thirty dollars	2, 708, 460 00	
			3, 347, 743 50
Five-twenties of 1865—			
1, 049	One dollar and fifty cents	1, 573 50	
42, 149	Three dollars	126, 447 00	
76, 195	Fifteen dollars	1, 142, 925 00	
228, 992	Thirty dollars	6, 868, 860 00	
			8, 139, 805 50
Consols of 1865—			
130, 700	One dollar and fifty cents	209, 550 00	
280, 208	Three dollars	840, 624 00	
189, 751	Fifteen dollars	2, 846, 265 00	
327, 393	Thirty dollars	9, 821, 790 00	
			13, 718, 220 00
Consols of 1867—			
231, 682	One dollar and fifty cents	347, 523 00	
449, 629	Three dollars	1, 348, 887 00	
218, 095	Fifteen dollars	3, 271, 425 00	
380, 436	Thirty dollars	11, 413, 080 00	
			16, 380 915 00
Consols of 1868—			
96, 844	One dollar and fifty cents	40, 266 00	
65, 361	Three dollars	196, 083 00	
23, 402	Fifteen dollars	351, 030 00	
43, 467	Thirty dollars	1, 304, 010 00	
			1, 891, 389 00
Seven-thirties of 1861—			
16	One dollar eighty-two and a half cents	29 19	
11	Three dollars and sixty-five cents	40 15	
20	Eighteen dollars and twenty-five cents	365 00	
			434 34

RECAPITULATION.

Title.	No. of coupons.	Amount.
Loan of 1856.....	28, 976	\$734, 488 30
Loan of 1860.....	1, 803	45, 075 00
Loan of February 1861, (1881s).....	10, 304	311, 820 00
Oregon war debt.....	4, 647	56, 079 00
Loan of July and August 1861, (1881s).....	211, 934	4, 302, 463 50
Five-twentieths of 1862.....	1, 448, 835	22, 647, 794 11
Loan of 1863, (1881s).....	66, 247	1, 401, 175 50
Ten-forties of 1864.....	186, 502	3, 292, 742 11
Five-twentieths of June 1864.....	166, 847	3, 347, 741 50
Five-twentieths of 1865.....	348, 353	8, 139, 865 50
Consols of 1865.....	937, 052	13, 714, 229 00
Consols of 1867.....	1, 279, 842	16, 360, 915 00
Consols of 1868.....	156, 074	1, 681, 246 00
Seven-thirties of 1861.....	47	434 31
Total.....	4, 650, 553	76, 260, 086 50

POST OFFICE DEPARTMENT.

The receipts and expenditures for and on account of the Post Office Department for the fiscal year have been as follows, viz:

Cash Dr.

Balance brought forward from last year.....		\$1, 429, 697 92
Received at Washington.....	\$233, 853 69	
Received at New York.....	4, 415, 619 18	
Received at Philadelphia.....	616, 524 89	
Received at Boston.....	596, 873 29	
Received at St. Louis.....	553, 814 27	
Received at San Francisco.....	1, 384, 153 21	
Received at Charleston.....	264, 297 52	
Received at New Orleans.....	436, 570 62	
Received at Baltimore.....	40 15	
Received at Cincinnati.....	46 28	
Received at Louisville.....	579 10	
Received at Pittsburg.....	653 35	
Received at Mobile.....	1, 794 22	
First National Bank of Dubuque, Iowa.....	447 97	
First National Bank of Leavenworth, Kansas.....	282 24	
First National Bank of Memphis, Tennessee.....	1, 754 67	
First National Bank of Milwaukee, Wisconsin.....	46 80	
First National Bank of Nashville, Tennessee.....	2, 570 26	
First National Bank of Springfield, Illinois.....	780 82	
First National Bank of Washington, District of Columbia.....	8, 965 84	
Second National Bank of Detroit, Michigan.....	32, 775 66	
Atlanta National Bank of Atlanta, Georgia.....	5, 465 24	
Central National Bank, Booneville, Missouri.....	153 50	
Merchants' National Bank, Cleveland, Ohio.....	1, 572 20	
Merchants' National Bank, Little Rock, Arkansas.....	267 50	
Merchants' National Bank, Portland, Maine.....	1, 185 05	
San Antonio National Bank, San Antonio, Texas.....	345 26	
Total receipts during year.....		8, 561, 438 72
Total.....		9, 991, 126 70

Warrants were issued on the various offices for the payments of the aggregate amounts as follows:

Cash Cr.

On Washington, District of Columbia.....	\$240, 607 41
On New York, New York.....	4, 404, 094 53
On Philadelphia, Pennsylvania.....	600, 704 50
On Boston, Massachusetts.....	500, 539 10
On St. Louis, Missouri.....	718, 493 93
On San Francisco, California.....	1, 227, 304 11

On Charleston, South Carolina.....	\$340,775 12
On New Orleans, Louisiana.....	514,153 55
On Louisville, Kentucky.....	523 00
On Mobile, Alabama.....	1,960 25
On Olympia, Washington Territory.....	21 25
On Pittsburg, Pennsylvania.....	804 69
On Atlanta National Bank, Atlanta, Georgia.....	5,365 35
On Merchants' National Bank, Cleveland, Ohio.....	1,572 20
On Second National Bank of Detroit, Michigan.....	27,878 70
On Colorado National Bank, Denver, Colorado.....	1,147 50
On First National Bank of Dubuque, Iowa.....	447 97
On Merchants' National Bank, Little Rock, Arkansas.....	898 00
On First National Bank of Milwaukee, Wisconsin.....	46 80
On First National Bank of Nashville, Tennessee.....	2,591 94
On First National Bank of Portland, Oregon.....	178 96
On Merchants' National Bank, Portland, Maine.....	965 05
On First National Bank of Springfield, Illinois.....	368 62
On San Antonio National Bank, San Antonio, Texas.....	345 26
On First National Bank of Washington, District of Columbia.....	11,134 79
Total	9,186,942 97
Balance of cash on hand to new account.....	804,193 73
Total	9,991,136 70

Moneys were drawn from the treasury on account of the post office that were not receipts from the Post Office Department, but were appropriated for its use by Congress, under the several laws as specified, at the times and for amounts as follows:

For mail steamship service between San Francisco, Japan and China, act of March 3, 1869. July 21, 1869, paid treasury warrant No. 955.....	\$125,000 00	
October 14, 1869, paid treasury warrant No. 1346.....	125,000 00	
January 20, 1867, paid treasury warrant No. 136.....	125,000 00	
April 11, 1870, paid treasury warrant No. 455.....	125,000 00	\$500,000 00
For compensation of such mail services as may be performed for the several departments of the Government as per act March 3, 1847. September 14, 1869, paid treasury warrant No. 1223.....	500,000 00	500,000 00
For payment and compensation for mail services performed for the two Houses of Congress and other departments and offices of the Government in the transportation of free matter by the Post Office Department, acts of March 3, 1867, and March 3, 1861. May 25, 1870, paid treasury warrant No. 667.....	790,000 00	700,000 00
For the overland mail transportation between Atchison and Folsom, and for marine mail transportation between New York and California, per acts May 18, 1866, and July 25, 1868. August 16, 1869, paid treasury warrant No. 1123.....	66,188 36	
April 21, 1870, paid treasury warrant No. 509.....	109,640 85	175,829 21
For mail steamship service between the United States and Brazil, act March 3, 1869. September 4, 1869, paid treasury warrant No. 1192.....	37,500 00	
December 1, 1869, paid treasury warrant No. 1582.....	37,500 00	
March 7, 1870, paid treasury warrant No. 317.....	37,500 00	
June 4, 1870, paid treasury warrant No. 719.....	37,500 00	150,000 00
For steamship service between San Francisco and the Sandwich Islands, per act March 3, 1869. August 19, 1869, paid treasury warrant No. 1141.....	18,750 00	
October 15, 1869, paid treasury warrant No. 1351.....	18,750 00	
February 4, 1870, paid treasury warrant No. 183.....	18,750 00	56,250 00

For supplying the deficiency in the revenue of the Post Office Department, as per act March 3, 1869. September 13, 1869, paid treasury warrant No. 1228

September 13, 1869, paid treasury warrant No. 1228	\$1,262,500 00	
January 7, 1870, paid treasury warrant No. 15	300,000 00	
February 11, 1870, paid treasury warrant No. 248	1,000,000 00	
May 25, 1870, paid treasury warrant No. 767	200,000 00	
		<u>\$2,762,500 00</u>
Total amount received from the Government	4,844,579 21	

Received by postmasters, on account of postage on letters, newspapers, and pamphlets, registered letters, emoluments, &c.

For quarter ending September 30, 1869	\$3,592,722 81	
For quarter ending December 31, 1869	3,791,556 45	
For quarter ending March 31, 1870	3,966,889 88	
For quarter ending June 30, 1870	3,790,464 57	
		<u>\$15,141,633 71</u>

Cash, Dr.

Balance from last year		\$1,429,697 92
Receipts into the treasury from postmasters and others	\$3,716,859 57	
From the United States, under various laws	4,844,579 21	
To Post Office Department receipts	15,141,633 71	
Total receipts from all sources	23,703,072 49	
Total	25,132,770 41	

Cash, Cr.

Paid 5,101 post office warrants	\$4,342,363 76	
Paid 18 treasury warrants	4,844,579 21	
Post Office Department payments	15,141,633 71	
Total amount of all payments	\$24,328,576 68	
Balance to new account	804,193 73	
Total	25,132,770 41	

CHANGES IN THE EMPLOYÉS OF THE TREASURER'S OFFICE FOR THE FISCAL YEAR ENDING JUNE 30, 1870.

Total force of Treasurer's Office June 30, 1869	279	
Number of persons appointed during the fiscal year ending June 30, 1870	122	
Deceased during the same period	3	
Resigned during the same period	18	
Transferred during the same period	1	
Discharged during the same period	7	
	29	
	93	
Total force of Treasurer's Office June 30, 1870	372	

The amount disbursed for salaries to the above number of employés during the year was as follows, to wit:

On regular roll	\$136,476 49	
On lapsed-salary roll	25,423 47	
On temporary roll	211,633 89	
Total payments during the year	373,974 25	
Less income tax retained from salaries	4,074 32	
Net amount paid for salaries	369,899 93	

ABSTRACTION OF TWENTY THOUSAND DOLLARS.

In my last annual report, the fact was stated that within the eight years that the treasury had been in my charge, money transactions were had that footed on the books of this office at a sum exceeding \$44,000,000,000, and that not one cent had been lost to the people of the United States on account of the management of the treasury or on account of the conduct of any of the employés in this office; and I concluded by saying that such good fortune could not last always, and that the law of chances would be strongly against me in the future. The forebodings then felt have during the year, in a single case, been verified.

On Saturday, the 11th day of June last, an uncounted package of 2,000 new United States ten-dollar notes, numbered consecutively from H 3,530,001* to H 3,532,000*, both inclusive, was stolen from the division of issues, where it had been delivered from the division of engraving and printing, to be counted and covered into the treasury.

Two strangers had for several days been seen about the halls of the treasury building. On the day mentioned, the wife of a prominent resident of this city, with her young son, and two relatives, a gentleman and his wife, residents of a western city, were passing the upper door of the long room, where the money packages were piled on a table to be counted. The first-named lady and the chief of the division were well acquainted, and as she came to the open door they recognized and saluted each other; she, with her friends, naturally advancing into the room.

Now, the theory of the manner of the robbery is, that the two strangers were in the hall, watching for just such an opportunity to act the part that they had long been rehearsing. When the party named entered the room, one of the thieves forced himself between the lady who led the way and her friends. This man immediately entered into conversation with Mr. Root, the chief of the division, making all manner of inquiries in regard to the manufacture, receipt, and counting of the notes, and the after disposition made of them. Mr. Root supposed him to be of his friend's party, and was thrown entirely off his guard. The lady in turn, from his apparently familiar manner, supposed him to be a particular friend of Mr. Root. The lady and her friends walked down the length of the room, passing all the counters, and passed out into the hall at the farthest door. The principal thief in the mean time held Mr. Root in conversation, and gradually drew him to the table where the money packages were piled up. Here he managed so to place Mr. Root as to make him a screen to cut off the view of a female clerk, whose duty it was to keep an eye on the money. Mr. Root's body was interposed between her and the packages. At this moment the accomplice came stealthily into the room, through the same door, from the hall, and threw himself in front of, and partially over a female messenger, who was sitting on the opposite side, watching the money packages. He made inquiry for a female clerk, calling her by name, and although told that there was no such person belonging to the office, he insisted that there was, and he persisted in thus preventing the messenger from seeing the money, long enough to give the principal thief the opportunity to effect his purpose.

The principal thief now diverted Mr. Root's attention, by pointing to the party leaving the room, and saying, "My friends are going, and I must go too," and at this moment took the package with his left hand, and thrust it under his right arm. Thief No. 2 now quietly left the room by the same door through which he entered. The packages of all

the denominations of United States notes, when they come from the printing division, contain each two thousand notes. Each package is just the length and breadth of a single note, and the 2,000 notes make a package of a little over six inches high.

The principal thief came into the room holding a large Panama hat by the rim, with the lapel of his large sack-coat over his right breast, and thus he continued to carry it until he left the room. The package was effectually hidden under his hat and coat. Packages of \$20 notes were lying side by side with packages containing \$10 notes; but the thief, being obliged to keep his eyes upon Mr. Root, inadvertently took one of the lesser packages, because he could not look at them to tell the difference.

Mr. Root followed his friend, accompanied by the thief, with the money, the whole length of the room to the lowest door, out of which the thief passed, with thanks to Mr. Root for his kind attention to himself and his friends.

The money was missed within the hour that it was taken; but there was at that time no suspicion that it had been stolen.

The theory then was, that it had not been received from the printing division, and all investigations for that, and a part of the next day, were made under that supposition.

In the after part of the following day, which was Sunday, I learned for the first time, from the female messenger, that another person had been in the room, and of his strange conduct toward her while there. The case now seemed plain enough. Mr. Root called on his lady visitor, and learned from her the facts as before related, and that she was inclined to denounce the stranger at the time for his rudeness to herself and her party, and that she was only deterred from doing so, because from his manner she supposed him to be a particular friend of Mr. Root.

The scheme for the robbery had, no doubt, been planned and matured for some time before, and only awaited a favorable opportunity to accomplish it. The whole thing was most ingeniously planned, and adroitly carried out. As soon as these facts became known, telegraphic dispatches were immediately sent to the principal cities, through the associated press, and otherwise; and Government and other detectives employed, to the end that the thieves might be arrested and the money recovered.

Advertisements of the robbery were sent to every bank, banker, and broker, and to all newspaper publishers in the United States and the British colonies in America, stating the fact of the robbery, describing the notes, and that no new ten-dollar note of a number higher than H 3,236,000* had been issued. The intervening numbers between the highest number issued and the lowest-numbered note stolen are held in this office, and will not be issued unless the stolen notes are recovered.

These intervening notes so held here represent nearly \$3,000,000. This has, it is believed, prevented the thieves from using the stolen notes, except as hereafter stated. On the 28th of June last, a letter bearing date of the day before was received at this office, from the Stuyvesant Bank in the city of New York, stating that one of their "dealers had deposited on the morning of that day, \$1,500 in United States ten-dollar notes, coming within the numbers and series which were in the lot of \$20,000 stolen from the Treasury Department." Colonel Whiteley, the chief of the secret service of the Department, being in New York at the time, was immediately informed by telegraph of this fact, and asked to call on the bank's officers for further information on the subject. He answered that he had found the facts as stated, and the further sum of \$6,400 of the

stolen notes had that morning been deposited with the same bank by another party. These two sums, amounting to \$7,900, were deposited by persons who could give no satisfactory account for their possession of the notes. One of the depositors was arrested and held to bail for his appearance at court, and the other has fled the country. The money is in the hands of the officers of the court. The cashier of the bank named wrote me, under date of June 30, 1870, "We have stopped the depositor's balance, thus securing the Department from any loss."

A letter was received from the cashier of a bank in the interior of the State of New York, bearing date July 27, 1870, stating the fact that note No. H 3,530,198*, being one of the stolen notes, had come into his possession. This is the only note, of those stolen, that has been heard from, except those that were recovered as above stated, in the city of New York. It is confidently believed that the remainder of the notes stolen cannot be disposed of for the benefit of the thieves without instant detection, and that, therefore, the whole amount stolen will eventually be recovered.

THE EDWINS DEFALCATION.

"Misfortunes never come single;" my long term of over nine years of immunity from loss has ended. Mortifying as the robbery above detailed was to me, it was bearable, because it was committed by outsiders, and in a way that would probably have succeeded with the most careful and cautious of custodians. Not so with a more recent case. On the morning of the 29th day of September last, Charles C. Edwins, a fourth-class clerk in the division of redemptions in this office, whose duty it then was to receive from, and receipt for to Adams' Express Company, all money packages received through that company, and to enter the same upon the register kept for that purpose, voluntarily confessed to me that he had abstracted, and applied to his own use, three money packages so received by him, and amounting, respectively, to \$5,000, \$2,000, and \$1,500, being in the aggregate \$8,500. He at the same time surrendered to me various items of value, consisting of bills of exchange on London, Bank of England notes, United States stocks, gold coin, chiefly in British sovereigns, passage tickets by Steamer "Erin" for Europe, and tickets to Niblo's theater. The papers showed that he had procured first-class berths for himself and wife, under the name of H. G. Williams, on the steamer afore named, which had sailed for England on the day before. He surrendered the three letters from which he had abstracted the money, and stated that he had intended to have been far at sea before that time, but he had changed his mind, and had returned to make confession and restitution. He further stated that he had for several months been in the habit of abstracting money from packages and using it, and that after a week or so, he would take other money from other packages and replace that taken before; thus from time to time replacing the money stolen from one package by money stolen from another, and thus preventing inquiry after the stolen money, and consequent detection. He stated that in a then recent case he had taken from a package received from the Davenport National Bank the money, amounting to and marked at \$5,000, and from another package the money, amounting to \$1,000; that he afterwards took the money from two packages of \$3,000 each, with a view to replace the money he had taken the week before, as above stated, but that in his hurry and agitation he had inadvertently placed the whole \$6,000 in the wrapper from the Davenport National Bank, and handed it to a clerk to be counted. The clerk, of course, reported the package \$1,000 over by inventory. Fearing de-

tection if he corrected the error, he advised the bank of the over, and remitted by check on New York for the whole \$6,000. The National Bank of Davenport has since returned the \$1,000. The National Steamship Company has also generously returned \$150 that Edwins had paid for his passage tickets, and the proprietors of Niblo's Garden \$2, for theater tickets not used.

The account of loss, and of amounts recovered, then stands as follows :

Amounts paid by Treasurer, acknowledged by Edwins to have been taken by him—	
First National Bank of Janesville, Wisconsin.....	\$1,000 00
First National Bank of Milwaukee, Wisconsin.....	5,000 00
F. D. Hagar & Co., Marshalltown, Iowa.....	2,500 00
Total	\$8,500 00
Amounts realized from notes, drafts, coin, and other securities given up by Edwins, and from moneys returned as overpaid by bank, as follows :	
Bank of England notes, 6 of £10 each.....	£60 00
5 of £5 each.....	25 00
Drafts, Bank of British North America, on Glyn, Mills & Co., London, 2 of £50 each.....	100 00
1 of £25	25 00
	<u>£210 00</u>
Sold at 109½ for gold.....	\$1,018 50
American gold, 3 pieces, \$20 each.....	60 00
Sovereigns, 15 at \$4 84 each.....	72 60
Premium on \$1,151 10 gold at 113½.....	155 40
Two bonds, \$100 each, 5-20's of 1867, at 110.....	220 00
	<u>1,526 50</u>
Less broker's commission on sale and expressage.....	4 50
	<u>1,522 00</u>
Passage money returned by the National Steamship Company, two tickets to London by steamer "Erin"	150 00
Returned by Jarrett & Palmer, managers Niblo's Garden, New York, for two tickets for September 28, purchased but not used by Edwins.....	2 00
Balance of Edwins' salary for September, (\$70 drawn by him,)	76 72
Returned by Davenport National Bank, overpayment of Sept. 24..	<u>1,000 00</u>
Total amount realized.....	2,750 72
Leaving as the deficit.....	<u>5,749 28</u>

In the conversation with me Edwins stated that the money he had taken, and that he did not account for, he had lost in unfortunate speculations. It is therefore not probable that any part of this deficit of \$5,749 28 will ever be recovered.

I have been informed by Colonel Frank Jones, the assistant cashier of this office, and by J. F. Burr, esq., the law clerk in the office of the Solicitor of the Treasury, that Edwins made substantially the same statement of the case as here detailed severally to each of them, and that on such statement so made to the latter, that officer entered a complaint against Edwins on which he was committed to prison. He has since been indicted for the offense, and remains in prison awaiting his trial.

Edwins came into this office in June, 1864, and was appointed on the highest recommendations and testimonials in his favor, given by the leading men of the cities of New York and Brooklyn, and it is but just

and fair that the facts should be stated that he has been three times promoted for his industry, efficiency, and capacity for business, and for his general good conduct, and that for years he has earned better pay than was allowed him by law.

REORGANIZATION AND INCREASE OF SALARIES.

From year to year it has become more and more apparent that the present pay of the employes of this office is entirely inadequate, and that the public service is demoralized and the interest of the Government is endangered and suffers thereby. I therefore deem it a duty not only to reiterate all that has been said on this subject in former reports, but again to urge the necessity for an increase of their pay.

It may be asked why employes in the office of the Treasurer should receive more pay than in the other offices of the Government. It is answered that they are daily subjected to the risk of errors in count, and of taking counterfeits for money, for which they are pecuniarily responsible, and are compelled to make good all losses resulting from any mistakes made by them. Instances have occurred where counters have become so liable, in a single day, for an amount double what their present pay would amount to for a whole month. To make such a loss good, they would be required to relinquish their salary for two whole months.

While as high an order of talent is required as in the other offices, it is necessary that the integrity of the persons employed in this, who are in the daily habit of handling large sums of money, should be assured, vouched for, undoubted, and above suspicion; therefore it is necessary that the stumbling-blocks of small pay and large temptations should not be placed in their way.

Necessity, temptation, and opportunity make thieves. The *opportunity* to steal in this office cannot be guarded against, but the *temptation* to do so can be removed by taking care that the *necessity* to steal is not forced upon the employes by pay wholly insufficient to the decent support of themselves and their families.

While the salaries and wages of persons employed in every kind of labor, mechanics, arts, businesses, and professions have been advanced to more than double their former rates, and while the pay of all the branches of the military service has been largely increased, that of the civil service has been kept down to the rates paid when the cost of living was less than one-half what it now is. The sufferance of this state of affairs it is believed is very bad economy.

Persons holding places in the civil service, like other people, must live; they cannot subsist on the honor of the thing. When Government officials feel that they are but half-paid, as compared with the pay received by persons engaged in like services for banks, companies, and business firms, and at the same time see their families suffer for the ordinary necessities of life, they may be sorely tempted to do wrong. The first step may be to get necessary articles of food and clothing on trust, for which they will be unable to pay. Now come the importunities of creditors for their pay. To get rid of this annoyance, the salary for the next month is pledged to a "sharper," who loans money to the unfortunate at the ruinous rates of usury of from five to ten per cent. a month. At the end of the month there is nothing left to provide for the living of himself and family. To keep from starving, he contracts new debts, if he can find anybody who will give him credit; and the same round over and over again, until no one will trust him further. To keep the family from starving, article after article of household

furniture, and even necessary wearing apparel, goes to the pawnbroker, never to return. Dogged by creditors, threatened by his superiors with dismissal if he does not pay his debts; unable to beg or borrow money enough to carry him out of town, and away from his misfortunes; with the starvation of his family staring him in the face, what is he to do? He sees abundant opportunities by stealing, taking bribes, or other dishonest practices and wrongs upon the government, by which he can extricate himself from his difficulties. Is it any wonder that he yields to the temptation, and falls? How many of the well-fed, who hold up their hands in holy horror when detection comes, would, under like circumstances, have been able to do otherwise?

Christian legislators would do well to remember the command, "Thou shalt not muzzle the mouth of the ox that treadeth out the corn;" and that other precept, "The laborer is worthy of his hire;" and they ought, when they hear of defalcations, embezzlements, and other wrong-doings on the part of poor wretches of public officers and clerks, inquire whether the "hire" allowed them by existing law was sufficient for the decent support of their families, and, if not, whether the responsibility of the crime did not, in part at least, rest upon those who withheld a reasonable compensation for services rendered the Government. The whole theory of low and inadequate salaries is demoralizing to the last degree. It is said, "Let those who are not satisfied with the present pay, *resign*." There are plenty of others who would be glad to take their places." True; and if the new ones should happen to be honest, they, too, in their turn, would be obliged to resign, to make room for still others to learn a like experience. There are plenty of persons in the land, some of whom are still outside of a State prison, who would be glad to fill all the public offices, *without any pay*, and who would pay the Government a large bonus for their possession. If this evil is not corrected, the time will soon come, if it is not already upon us, when none but rich men or thieves will be able to hold any public office. Are the masses of our people, who are honest, and who desire that justice should be done *by* as well as to the Government, prepared for such a state of things?

It is time that demagogism on the subject of "high salaries," on the part of the political party press, and of legislators as well, should cease, and that the honest truth should be spoken by those whose duty it is to speak it.

Three-quarters of a century ago, when we numbered less than four millions of people, and when the price of a day's farm labor was a quarter of a dollar, the salary of the President of the United States was fixed at \$25,000 in gold per annum.

Is there a man possessing a reasonable share of common sense in the whole land, who believes that now, when our population numbers over forty millions, and when the price of labor has advanced more than five fold, that the same nominal amount, in a depreciated paper currency, paid the incumbent of that high office, is enough?

With the heads of departments the case is still worse. Every well-informed man knows that the salaries paid these high officers of the Government is not sufficient to pay for the cost of the public entertainments that it has always been customary, and that it is reasonably expected that they will give the representatives of foreign nations, and others, in order to keep up the dignity of the Government.

Most of these officers could earn for themselves, in their professions, amounts of money to which their official salaries bear little comparison. *And then there is, perhaps, not a day in the year on which any one of*

these officers cannot secure to himself, without fear of detection, an amount greater than he receives for his annual salary.

Would such a course be pursued, or considered safe, by sagacious business men in the ordinary walks of private life?

But for the generous interference of Congress, by special enactment, in favor of the officers in this Bureau, it would not have been possible to have retained the services of some of them. The exception was made in their favor because their offices were anomalous. Some of these officers have responsibilities exceeding those devolving on the heads of bureaus. None other of their grade being recognized by law in any of the departments. Many clerks, who were equally deserving, were excluded from receiving extra pay, the committee deeming it inadvisable because their grades were common to all the offices, and it was not thought proper at that time to increase the pay of all the employés in all the departments of the Government. Under this view of the case, a list of officers, for whom it was necessary that something should be done, was furnished to the committee. The appropriation was made in accordance with this list, and the distribution by the Secretary was made according to the intention of the law. It is to be hoped that Congress, at the coming session, will be prepared, by a general law, to do justice to all the officers and other employés of the Government.

A system of organization of the offices of the Government, however suitable it may have been to the wants of four millions of people, collecting and disbursing a small revenue, is entirely insufficient and unfitted to the requirements of a population of over forty millions, with an increase of revenue, proportionably, still greater. Reorganization has been too long delayed. The public interest is suffering in consequence of the delay.

It must now be apparent to all that this nation can never go back to the state of things existing when the present organization of the public offices was made.

Things suited to the wants of a young child are ill-adapted to the needs of full-grown man.

When the treasury was placed in my charge, less than 20 employés transacted the business of the office. 350 persons, working much harder than the 20 then did, would be unable to transact it now.

Temporary clerks have from time to time been employed under various special laws, and to some extent will have to be continued for some time to come. The number may, however, be gradually decreased with the return to specie payments, and when the redemption of the paper money of the Government shall have been accomplished.

The number of persons now employed in this office is 374. There is neither probability nor hope that the number can be reduced to a number less than 250.

In the table submitted last year it was proposed to fix the number at 253, being a reduction of the force, as now employed, of 121 persons. The tables of the number required of each grade, and the compensation to be allowed, as stated in the report of last year, are re-stated here, with modifications in regard to the female employés made necessary by the favorable legislation in their behalf by Congress at its last session.

With a view to the reorganization of this office, the following table of the officers, clerks, and other employés, with the pay that should, for the proper conduct of the office, attach to each, is most respectfully submitted:

Assistant treasurer.....	\$5,000
Cashier.....	4,000

Assistant cashier.....	\$3,500
Chief of division of correspondence.....	3,000
Chief of division of national banks.....	3,000
Chief of division of redemption.....	3,000
Chief of division of issues.....	3,000
Chief of division of loans.....	3,000
Chief of division of general accounts.....	3,000
Chief of division of Treasurer's accounts.....	3,000
Paying teller.....	3,000
Receiving teller.....	3,000
Assistant paying teller.....	2,500
Assistant receiving teller.....	2,500
Principal bookkeeper.....	2,500
Assistant principal bookkeeper.....	2,200
20 fifth-class clerks, each.....	2,000
26 fourth-class clerks, each.....	1,800
30 third-class clerks, each.....	1,600
30 second-class clerks, each.....	1,400
40 first-class clerks, each.....	1,200
1 engineer.....	1,200
9 messengers, each.....	1,000
9 assistant messengers, each.....	900
8 porters, each.....	800
20 female clerks, each.....	1,000
20 female clerks, each.....	900
9 female messengers, each.....	800
8 female assistant messengers, each.....	700
7 female sweepers and dusters, each.....	400

According to this plan, females may be competent to hold any class of clerkships; but males are not to be appointed clerks, except in the classes from one to five.

If a reorganization should be made, it is suggested that the numbers of the classes should be reversed, so that the clerks would be rated according to the numbers of their respective classes, and so that the present absurd and contradictory classification and rating of a first-class clerk as a fourth-class clerk, and a fourth-class clerk as a first-class clerk, may thereby be corrected and made to conform to common sense.

CONCLUSION.

For the escapes from perils that threatened at every step, through which I have passed in perfect safety, without the loss of a single cent to the people of the United States, and without any serious pecuniary mishap to myself, in the collection and disbursement for the government of many thousands of millions of dollars during the nine years preceding the last one, I desire earnestly to express my heartfelt feelings of profound thankfulness and gratitude.

Although recently despoiled by thieves from without and from within the treasury, I hope my gratitude has not been abated by reason of the two misfortunes that have within the year overtaken me. But I fear that my thankfulness may be of the kind expressed by one who, having fallen from a great height and broken his leg, thanked God it was not his neck.

I congratulate the administration, the Congress, and the good people of the country, on the fact that by your skillful management of the finances, and the retrenchment of expenses by the executive head, and the heads of the Departments of the Government, especially in the expenditures for the Army, an amount exceeding sixty-eight million dollars has been gained and saved to the treasury in the last over the preceding fiscal year; and on your achievement, within the same year, of reducing the public debt nearly one hundred and three million dollars,

and of buying in for the Government, at a cost in currency of nearly one hundred and thirty-three million dollars, six per cent. stocks of the United States, of the face value of over one hundred and fourteen million dollars.

By these purchases there is and will be saved to the people in the future the annual payment of interest thereon, amounting to \$6,884,886, in gold.

From the proceeds of this amount of interest, paid semi-annually in gold, and from its accumulation, and from like savings and their accumulations and gains in the future, other United States stocks may be purchased by the Government until, by a constant and accelerated decrease of the debt, and increased means to pay it, the whole indebtedness shall, at no distant day, be paid and canceled.

If any other nation or people, ancient or modern, has ever made any approach to such an exhibit, it is not within the ken of—

Your obedient servant,

F. E. SPINNER,
Treasurer of the United States.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE REGISTER.

TREASURY DEPARTMENT,
Register's Office, October 26, 1870.

SIR: In presenting this, my second annual report of business transacted in this office during the fiscal year ending June 30, 1870, I have the honor to state that it has not been found necessary to increase the clerical force of this Bureau over the 229 persons employed at the date of my last report.

The expenses of the Bureau have been reduced to the lowest amount consistent with the public interest.

The clerical force is in a high state of efficiency, and I take this opportunity of bearing testimony to the high character, ability, and general attention to duty, of the class of public servants who toil from year to year in these offices, but whose duties are not such as attract public attention or due recognition.

The large number of journals and ledgers of public accounts necessary in this office requires clerks of the highest order of clerical ability, who should have practical experience and a thorough knowledge of the science of book-keeping, as well as possessed of a natural aptitude for precision and accuracy. In this respect this office is fortunate in its present corps of clerks, but it is a subject of regret that the uncertain tenure by which subordinates hold their positions in these offices tends to deprive the Government of the services of the most efficient clerks, who often are induced to accept of positions in other pursuits which promise more certain employment. These defects seem to be inherent in the system of civil service as heretofore practiced, but we may indulge the hope that Congress will devise a more perfect system.

The report of transactions in this office during the last fiscal year is submitted under the different divisions into which the office is divided.

DIVISION OF RECEIPTS AND EXPENDITURES.

This division is in charge of D. R. B. Nevin, esq., and employs 24 male and 6 female clerks. The division has control of the receipts and expenditures of the Government. Its records consist of eight ledgers for personal accounts, nine appropriation ledgers, five journals, and various auxiliary books for the record of accounts, warrants, and drafts. Detailed statements of receipts and expenditures are made from time to time, when properly authorized, and a list of all "receipts and expenditures" warrants issued during each quarter is prepared for settlement with the Treasurer. Copies of records and accounts required in the prosecution of suits are prepared in this division, and authenticated by the Register. The custody and arrangement of the files are also intrusted to this division. A large amount of miscellaneous business, which cannot be classified, is transacted in this division.

The number of warrants issued during the year for civil, diplomatic, miscellaneous, internal revenue, and public debt expenditures, was..... 17, 679

In the preceding year..... 18, 856

Decrease 1, 177

The number of warrants issued for receipts from customs, lands, direct tax, internal revenue, and miscellaneous sources, was.... 9, 561

In the preceding year..... 9, 300

Increase 261

The number of warrants issued for payments and repayments in the War, Navy, and Interior, Pension, and Indian Departments, was. 9, 927

In the preceding year..... 10, 284

Decrease 357

The number of journal pages required for the entry of accounts relating to the civil, diplomatic, internal revenue, miscellaneous, and public debt receipts and expenditures, was..... 4, 017

In the preceding year..... 4, 485

Decrease 468

The number of drafts registered was..... 29, 735

In the preceding year..... 32, 788

Decrease 3, 053

The number of certificates furnished for the settlement of accounts was..... 6, 814

In the preceding year..... 6, 250

Increase..... 564

The number of accounts received from the offices of the First and Fifth Auditors, and Commissioner of the General Land Office, was.....	20, 775
In the preceding year.....	20, 585
Increase.....	190

LOAN DIVISION.

This division is in charge of Hartwell Jenison, esq., and employs 20 male and 8 female clerks. The business of this division is increasing yearly, and will require an increase of clerks as soon as the work of funding the debt is fairly commenced; besides, an increase will be necessary should the number of registered bonds increase as they have during the last year.

The total amount of registered bonds issued during the year was \$229,010,970, being an excess of \$109,402,810 over the previous year. The direct issues amount to \$5,402,200.

The reduction of the public debt, on account of the purchases of the Secretary of the Treasury, does not appear in this report, as the cancellation and destruction of the bonds were not authorized until the passage of the act of July 14, 1870.

The amount of registered bonds issued in exchange for coupon bonds was \$97,934,450, against \$20,551,750 during the previous year, showing a marked preference for this form of investment induced by its greater security and immunity from loss.

The interest-bearing indebtedness is represented by fifteen different classes of issues, requiring a separate and independent set of books for each; and as there are about 50,000 holders of registered bonds, each one of which requires a separate ledger account, the labor required to keep these accounts and declare the semi-annual dividends on them can scarcely be estimated. Nearly one-half of the interest is made payable in New York, but the delays incident to this heavy disbursement have been materially diminished by the present plan, adopted during the year, of consolidating the different loans on one schedule, and having the names of the payees printed. The increased facilities for payments and the favor attending its adoption amply compensate for the heavy extra labor entailed on this office in compiling the abstract, and the plan will be extended to the other principal depositories.

It has been the desire and aim of this office to render the registered bonds as convenient as possible to the business community; and in order to facilitate transfers and exchanges, as a rule, returns are made by this office the same day the stock is received. Small denominations of the same loan of like amounts may be exchanged for larger, and *vice versa*; and so frequently is this done that any restriction or limitation on this privilege will be prejudicial to the popularity of the loan.

There are now entered upon the books of this office 384 caveats against bonds of different loans and denominations, lost or stolen. A number of these bonds have been presented for transfer with names and numbers altered so skillfully as to impose upon parties purchasing them, but they have invariably been detected by the clerks in charge of their respective loans and the issue made to the proper owners. The present system of printing the bonds on the prepared paper and tinting and ruling the numbers and the blank spaces for the names of the payees, will be an effectual check against fraud by alterations.

As a large proportion of the transfer transactions are based upon

permanent powers of attorney, and other evidence of authority, necessary to be on file in this office, this record, heretofore found to be faulty and unreliable, has been carefully revised and systematized during the last year.

NOTE AND COUPON DIVISION.

This division is in charge of Lewis D. Moore, esq., and at the close of the fiscal year the clerical force consisted of 77 clerks and 2 messengers (20 males, and 57 females.) The whole number employed during the year was 92; the average per month was 78. The whole number employed during the previous fiscal year was 250; the average per month was 150.

The total number of notes and certificates received during the year was 83,558, amounting to \$77,107,060.

The whole number of five and six per cent. interest notes received from the Comptroller counted, verified, and delivered to the United States Treasurer was 34,989, amounting to \$1,078,980.

The whole number of "seven-thirty" coupon treasury notes received, counted, assorted, arranged, registered, and examined was 4,881, amounting to \$563,400.

Of coupons detached from notes and bonds there were counted, assorted, and arranged 4,372,503; registered, 8,342,699; and examined and compared, 10,671,227.

At the close of the previous fiscal year a large amount of work had accumulated, and remained undisposed of in this division, but at the date of this report all this work has been disposed of, and all current work is kept up as close as practicable.

The following consolidated statement exhibits the character and amount of work performed by this division during the last fiscal year.

Statement of treasury notes, bonds, and coupons.

Notes, bonds, &c.	Authorizing act.	Number of pieces.	Total amount.	Coupons attached.
TREASURY NOTES AND GOLD CERTIFICATES. (UPPER HALVES.)				
Counted, assorted, arranged, registered, and examined:				
One-year five per cent.	March 3, 1863 ..	2,786	\$60,379	.....
Two-years five per cent.	March 3, 1863 ..	425	28,350	.....
Two-years five per cent. coupon.	March 3, 1863 ..	63	5,400	..... 34
Three-years six per cent.	March 3, 1863 ..	841	31,880	.....
Three-years six per cent.	June 30, 1864 ..	27,140	630,860	.....
Gold certificates	March 3, 1863 ..	52,301	76,141,900	.....
Total		83,558	77,107,060	..... 34
TREASURY NOTES (WHOLE) RECEIVED FROM COMPTROLLER.				
Counted and verified:				
Five and six per cent.	March 3, 1863, and June 30, 1864.	34,989	\$1,078,980	.....
Delivered to United States Treasurer:				
Five and six per cent.	March 3, 1863, and June 30, 1864.	34,989	\$1,078,980	.....
"SEVEN-THIRTY" COUPON TREASURY NOTES.				
Counted, assorted, arranged, registered, and examined:				
Issues Aug., Oct., 1861, and warrants.	July 17, 1861 ..	26	\$2,000	.....
First series, August 15, 1864 ..	June 30, 1864 ..	1,013	102,456	..... 213
Second series, June 15, 1865 ..	March 3, 1865 ..	1,196	306,400	..... 300
Third series, July 15, 1865 ..	March 3, 1865 ..	2,716	251,950	..... 305
Total		4,961	563,406	..... 1,108

Statement of treasury notes, bonds, and coupons—Continued.

Notes, bonds, &c.	Authorizing act.	Number of pieces.	Total amount.	Coupons attached.
FIVE-TWENTY AND OTHER BONDS RECEIVED.				
Registered, examined, scheduled, compared, and delivered to the committee: Exchanged and transferred.....	July 17 and Aug. 5, 1861.	2,926	\$1,127,850	73,230
Do.....	February 25, 1862.	7,860	1,850,650	197,195
Do.....	March 3, 1864.....	10,509	5,148,650	588,087
Do.....	March 3, 1865.....	64,706	29,686,100	2,279,771
Total		86,061	37,813,250	3,138,263

NOTE AND FRACTIONAL CURRENCY DIVISION.

This division is in charge of Charles Neale, esq., and employs 2 clerks of the first class and 55 female clerks as examiners and counters, 1 assistant messenger and 1 laborer.

Although during the first part of the fiscal year the work of this division was materially diminished by the reissue of old notes in consequence of the delay caused by the change made in the process of printing the new issue, yet the amount of work accomplished in the whole year is considerably above the average amount of work done during the fiscal year ending June 30, 1869.

The following statement shows the number of notes and amount of fractional currency and treasury notes examined, counted, canceled, and destroyed during the year :

	No. of notes.	Amount.
Postal currency.....	400,000	\$37,200
Fractional, second issue.....	1,600,000	216,000
Fractional, third issue.....	56,052,000	13,577,000
Fractional, fourth issue.....	45,200,000	9,326,400
Legal-tender notes.....	11,959,052	94,062,965
Legal-tender, series 1869.....	35,580	74,900
Demand notes.....	3,758	16,525
National bank notes.....	20,748	149,108
Total.....	115,277,138	117,480,098

Discounted money record kept but not counted in this office:

Postal currency.....	\$167,823 00
Fractional, second issue.....	171,825 00
Fractional, third issue.....	112,624 50
Fractional, fourth issue.....	62,400 00
Legal-tender notes.....	122,190 00
Total.....	636,862 50

The number of notes counted during the year was.....	115,277,138
During the preceding year	128,696,665

Decrease 13,419,527

The amount of notes counted during the year was.....	\$118,116,960 50
During the preceding year.....	73,085,959 00

Increase	45,031,001 50
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The average number of counters employed during the year was....	57
During the preceding year.....	77

Decrease	20
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TONNAGE DIVISION.

This division is in charge of Joseph Nimmo, jr., esq., and employs 8 male and 5 female clerks, and 2 messengers.

Part one of the General Regulations relates almost exclusively to the duties of this division, which are as follows:

1st. The registration, enrollment, and licensing of vessels, and matters relating to title.

2d. The annual statements of the tonnage of the country, of vessels built, vessels lost at sea and wrecked, vessels sold to foreigners, vessels abandoned, &c.

3d. Surrendered marine documents and duplicates of marine documents issued which are returned to the Register by collectors.

4th. Documents surrendered to American consuls and notices of the loss or sale of American vessels abroad.

5th. All cases relating to the admeasurement of vessels. These are referred to this office by the Secretary of the Treasury.

6th. The preparation of lists of vessels of the United States from the records of this office.

Books and blanks.—The books and blanks in use in the various custom-houses throughout the country are prepared by the Congressional Printer, and issued under the directions of this division under the orders of the Secretary of the Treasury. The catalogue embraces thirty-eight different kinds of books, of which we have a complete supply on hand. The number issued prior to October 1, 1870, was 1,926, value estimated at \$20,162 05. There are now on hand 1,655, value estimated at \$19,420 47. The law requiring that these books and blanks shall be supplied here has two objects in view: first, that of economy; and second, the securing of uniformity in the records of the custom-houses and of this office. Both these objects have been fully attained. The former method of allowing customs officers to order their books and blanks at private establishments led to gross irregularities and serious embarrassment in the administration of the duties of the Department. In the course of eighty years many changes were introduced into the forms, and to this extent collectors of customs were a law unto themselves. To remedy these irregularities, and to secure strict uniformity of practice and compliance with the regulations of the Department, it is necessary that the Register should supervise both the printing and issue of these supplies.

The present condition of our merchant marine.—Our shipping engaged in foreign trade still remains in the low condition into which it fell in the year 1862. During the late war nearly one-half our tonnage employed in foreign trade was either captured by Anglo-rebel privateers or was sold to foreigners in order to avoid the risk of capture. But the chief cause of the continued decadence of American shipping is the

superseding of sailing vessels by steam vessels, and the substitution of iron for wood as a ship-building material.

While we have in this country inexhaustible supplies of coal and iron and unsurpassed facilities for the building of iron ships, we have not a single establishment which can compare with the great works of England and Scotland. Our failure in this broad field of enterprise is a serious detriment to American industry. With far less expenditure than England has made in favor of her steam marine we can develop our latent resources, and ere long again compete with her in maritime commerce.

The admission of foreign-built vessels to the privileges of American registry would tend to crush out for an indefinite period all attempts at iron ship building in this country, and to denationalize our merchant marine in the interest of our most formidable rival upon the ocean.

It is to be hoped that such measures may be adopted as shall tend to place at least one-half our shipping in foreign trade under the American flag.

Tonnage of the United States.

The tonnage of the United States, and the ship-building for the years 1869 and 1870, are as follows :

Year.	Registered, enrolled, and licensed tonnage of the United States.							
	Registered.		Enrolled.		Licensed.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1869.....	3,381	1,566,421.51	19,732	2,526,093.52	4,474	52,125.73	27,487	4,144,640.76
1870.....	2,942	1,516,800.06	21,525	2,677,940.62	4,531	51,768.55	28,998	4,246,507.23

Tonnage of sailing vessels, steam vessels, barges, and canal-boats of the United States.

Year.	Sail.		Steam.		Barges.		Canal-boats.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1869.....	17,846	2,399,971.54	3,546	1,103,568.38	1,423	220,957.84	4,678	420,143.00	27,487	4,144,640.76
1870.....	17,534	2,363,096.43	3,524	1,075,095.03	1,530	240,410.60	6,416	567,915.15	28,998	4,246,507.23

Ship-building of the United States, 1869 and 1870.

Year.	Sail.		Steam.		Barges.		Canal-boats.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1869.....	874	149,029.61	279	65,065.99	191	26,021.87	242	35,112.69	1,726	275,230.15
1870.....	806	145,784.18	287	66,325.02	162	22,742.26	234	28,338.27	1,489	290,189.73

I remain, with great respect, your obedient servant,

JOHN ALLISON,
Register.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

Statement of revenue collected from the beginning of the government to June 30, 1870, from the following sources.

Years.	Customs.	Internal revenue.	Direct taxes.	Postage.	Public lands.	Dividends and sales of bank stock and bonus.	Miscellaneous.	Net revenue.	Loans and treasury notes, &c.	Total receipts.
From Mar. 4, 1789, to Dec. 31, 1791.	\$4,239,473 09									
1792	3,442,070 83	638,942 81		\$11,020 51		\$8,025 00	\$19,440 10	\$4,418,913 19	\$3,791,113 56	\$10,210,025 75
1793	4,355,003 56	337,705 70				38,500 00	9,918 63	3,688,960 31	5,670,906 46	8,740,766 77
1794	4,901,005 36	374,099 62		29,479 49		303,472 00	10,390 37	4,632,923 14	1,067,701 14	5,700,624 28
1795	5,588,461 96	337,755 36		22,400 00		180,000 00	5,917 97	5,431,504 59	4,609,196 78	10,041,161 65
1796	6,567,967 94	475,269 60		74,909 44		1,240,000 00	16,506 14	6,377,269 63	5,305,968 90	8,740,962 79
1797	7,540,649 65	575,491 45		64,500 00		1,385,230 03	30,379 36	8,688,749 99	382,600 00	9,740,339 65
1798	7,106,601 83	644,367 95		39,500 00		79,500 00	18,692 81	8,900,495 80	706,574 97	9,758,016 40
1799	7,778,136 41	778,136 41		41,000 00		71,040 00	45,187 56	9,048,719 10	5,074,646 53	12,621,439 84
1800	9,040,832 73	809,386 55	\$734,223 87	78,000 00	443 75	86,800 00	74,712 10	10,848,848 10	1,602,433 04	12,451,184 14
1801	10,730,778 93	1,048,033 43	534,343 36	79,500 00	107,798 06	86,800 00	177,905 96	12,935,330 95	10,135 00	12,945,465 95
1802	12,438,235 74	1,631,898 89	906,565 44	35,000 00	188,639 08	1,387,560 00	115,518 18	14,965,793 95	5,397 36	15,001,391 31
1803	10,479,417 61	215,179 69	71,879 30	16,427 96	165,675 60		112,575 23	11,064,997 63	9,539 64	11,074,537 27
1804	11,098,565 33	50,941 29	50,198 44	36,500 00	540,193 80		19,039 90	13,580,693 30	184,814 94	13,665,508 14
1805	12,036,467 04	81,747 15	21,872 91	21,342 50	765,945 73		10,004 19	15,530,931 07	48,897 71	15,600,828 78
1806	14,667,686 17	28,101 45	55,763 96	41,117 67	765,945 73		34,835 69	16,398,019 98		16,398,019 98
1807	15,845,521 61	8,210 73	34,732 56	3,614 73	460,163 97		31,492 35	17,000,661 93	1,683 16	17,002,344 09
1808	16,363,550 56	8,210 73	19,139 81		448,252 33		53,638 51	17,773,473 13		17,773,473 13
1809	7,286,020 36	4,044 39	12,448 66		686,548 89		84,476 94	9,384,514 28	2,750,999 25	12,144,396 53
1810	8,563,309 31	7,430 63	7,666 66	37 70	1,040,277 78		60,068 32	14,493,589 09	8,309 05	14,431,838 14
1811	13,313,222 73	9,205 95	7,859 22	85,039 70	1,135,971 09		41,125 47	15,501,138 76	12,637,900 00	28,139,038 76
1812	13,294,023 85	4,755 04	3,405 52	35,000 00	1,287,859 28		526,571 00	14,340,409 95	26,184,435 00	40,524,844 95
1813	18,996,773 96	1,602,964 82	2,162,673 41	135,000 10	1,135,971 09		119,399 81	15,696,916 88	32,377,911 79	34,556,336 95
1814	7,992,042 26	4,678,050 07	4,253,635 09	149,787 74	1,717,895 28		150,282 74	15,696,916 88	33,964,390 78	50,961,337 60
1815	36,306,874 86	5,134,706 31	1,834,167 04	29,371 91	1,991,226 06		123,954 61	47,676,935 66	9,404,436 16	57,171,431 82
1816	16,363,348 40	9,678,100 70	3,814,333 36	29,070 00	1,991,226 06		80,389 17	33,089,049 74	9,754,549 59	33,853,598 33
1817	17,176,385 90	855,570 90	85,650 78	71 32	3,874,422 78		57,027 10	34,603,374 37	8,705 62	34,612,080 00
1818	20,363,608 76	31,586 82	31,586 82	6,465 95	3,874,422 78		57,027 10	34,603,374 37	3,040,824 13	37,644,198 54
1819	15,005,613 15	106,200 53	29,349 05	603 04	1,912,966 56		132,072 56	17,840,669 55	5,000,324 00	19,573,703 73
1820	13,004,447 15	67,665 71	29,349 05	603 04	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1821	17,569,701 94	34,242 17	6,391 96	110 69	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1822	19,068,433 44	34,663 37	7,330 45	469 56	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1823	17,678,285 71	25,771 35	7,330 45	300 14	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1824	20,094,731 73	25,771 35	7,330 45	300 14	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1825	23,341,313 45	25,771 35	7,330 45	300 14	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1826	19,712,263 98	19,685 66	9,686 10	101 00	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1827	23,905,523 64	17,451 54	9,218 81	20 15	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1828	22,691,965 31	14,504 74	11,315 65	66 60	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1829	22,691,965 31	12,160 62	16,940 59	55 13	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96
1830	24,224,441 77	6,153 51	10,506 01	561 62	1,912,966 56		141,019 15	20,540,666 96		20,540,666 96

1872	98,485,927 94	11,030 65	6,701 17	944 95	9,923,361 03	659,000 00	09,276 16	31,865,861 10	2,992,969 15	31,865,861 10
1873	10,024,306 11	2,196 00	304 12	100 00	1,987,361 55	610,985 00	734,746 07	31,846,436 35	12,716,830 66	31,969,266 95
1874	16,102,457 15	4,796 08	10 60	100 00	4,837,080 60	586,449 50	128,412 32	31,701,935 15	3,857,976 51	31,701,935 15
1875	10,301,310 50	10,450 46	4,363 53	863 00	14,737,060 75	520,560 62	8,060,470 13	35,436,706 08	2,857,976 51	35,436,706 08
1876	23,408,940 50	5,370 00	728 79	10 91	24,877,179 80	328,674 47	9,360,691 32	36,836,796 08	12,716,830 66	37,863,626 74
1877	11,180,800 30	5,483 74	1,067 70		7,776,236 24	1,315,965 44	3,352,120 80	36,302,561 74	3,589,547 51	39,892,108 25
1878	16,126,600 30	2,467 51			5,061,939 39	4,514,102 32	2,317,232 61	36,302,561 74	12,716,830 66	38,019,392 40
1879	24,137,294 61	2,633 32			7,076,447 55	1,774,513 90	3,353,068 91	39,023,966 08	3,589,547 51	33,884,949 69
1880	13,496,462 17	1,683 52			3,282,365 39	672,769 38	574,622 32	39,023,966 08	12,716,830 66	30,519,177 68
1881	14,867,216 74	3,961 56			1,335,627 42	56,912 53	381,965 44	39,023,966 08	12,716,830 66	34,773,744 99
1882	16,187,008 70	485 00			1,335,627 42	56,912 53	381,965 44	39,023,966 08	12,716,830 66	36,782,410 45
1883 (to June 30)	7,046,943 91	1,777 34			897,818 11	5,000 00	1,075,419 70	39,023,966 08	12,716,830 66	31,969,266 95
1884-44	27,228,112 70	2,517 12			2,077,022 30	4,340 39	368,650 13	39,023,966 08	12,716,830 66	39,023,966 08
1884-45	30,712,667 67	2,697 96			2,077,022 30	4,340 39	368,650 13	39,023,966 08	12,716,830 66	39,023,966 08
1884-46	31,737,070 90	3,715 00			2,498,535 20	34,834 70	186,467 91	39,023,966 08	12,716,830 66	39,023,966 08
1884-47	32,747,664 60	3,715 00			2,498,535 20	34,834 70	186,467 91	39,023,966 08	12,716,830 66	39,023,966 08
1884-48	38,346,738 62	3,715 00			1,686,943 55	5,965 00	670,434 13	39,023,966 08	12,716,830 66	39,023,966 08
1884-49	38,068,086 42	3,715 00			1,686,943 55	5,965 00	670,434 13	39,023,966 08	12,716,830 66	39,023,966 08
1885-50	49,017,567 62	3,715 00			1,686,943 55	5,965 00	670,434 13	39,023,966 08	12,716,830 66	39,023,966 08
1885-51	47,330,326 62	3,715 00			2,043,326 38	1,021 34	924,022 00	39,023,966 08	12,716,830 66	39,023,966 08
1885-52	36,831,965 52	3,715 00			2,043,326 38	1,021 34	924,022 00	39,023,966 08	12,716,830 66	39,023,966 08
1885-53	64,234,190 51	3,715 00			1,667,064 69	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1885-54	53,025,704 51	3,715 00			6,470,798 39	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1885-55	64,022,663 50	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1885-56	63,673,905 05	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1885-57	41,769,020 96	3,715 00			1,776,557 71	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1885-58	49,050,416 04	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1885-59	33,167,511 67	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-60	30,368,125 64	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-61	60,050,648 00	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-62	60,050,648 00	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-63	102,316,152 60	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-64	84,928,360 00	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-65	79,046,651 50	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-66	76,417,010 80	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-67	164,404,696 50	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-68	164,404,696 50	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-69	164,404,696 50	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08
1886-70	164,404,696 50	3,715 00			6,917,049 01	31,466 78	1,055,323 74	39,023,966 08	12,716,830 66	39,023,966 08

*\$1,458,702 93 deducted from the aggregate receipts as per account of the Treasurer No. 76,992.
 †\$2,070 73 added, being net amount paid by depositaries previously deducted as unavailable.

Statement of expenditures from the beginning of the government

[The year 1867 and subsequent, are from the account of warrants on the Treasurer]

Years.	Civil list.	Foreign inter- course.	Miscellaneous.	Military service.	Pensions.
From Mar. 4, 1789, to Dec. 31, 1791.	\$757, 134 45	\$14, 733 33	\$311, 533 83	\$632, 804 03	\$175, 813 88
1792	380, 917 58	75, 766 67	194, 572 32	1, 100, 702 09	109, 243 15
1793	358, 241 08	89, 500 00	94, 709 46	1, 130, 249 88	80, 667 81
1794	440, 946 58	146, 403 51	118, 248 30	2, 639, 097 59	81, 399 21
1795	361, 633 36	912, 685 12	92, 718 50	2, 480, 910 13	64, 673 22
1796	447, 139 05	184, 859 64	150, 476 14	1, 320, 263 84	106, 843 71
1797	483, 233 70	669, 788 54	103, 889 82	1, 039, 402 66	92, 256 97
1798	504, 603 17	457, 428 74	149, 004 15	2, 609, 522 30	104, 845 33
1799	592, 905 76	271, 374 11	175, 111 81	2, 466, 946 28	93, 444 03
1800	748, 688 45	395, 288 18	193, 636 59	2, 560, 878 77	64, 130 73
1801	549, 288 31	295, 676 73	269, 803 41	1, 672, 944 08	73, 533 37
1802	506, 881 11	550, 925 83	315, 022 36	1, 179, 148 25	85, 440 39
1803	536, 583 12	1, 110, 834 77	205, 917 87	822, 055 85	62, 908 10
1804	624, 795 63	1, 186, 655 57	379, 558 23	875, 423 93	80, 092 80
1805	585, 849 79	2, 798, 028 77	384, 730 19	712, 781 28	81, 854 59
1806	684, 239 53	1, 700, 421 30	445, 485 18	1, 224, 355 38	81, 875 53
1807	635, 524 65	577, 836 34	464, 546 52	1, 288, 685 91	70, 500 00
1808	691, 167 80	304, 992 83	427, 124 98	2, 900, 834 40	82, 576 04
1809	712, 465 13	166, 306 04	337, 032 62	3, 345, 772 17	87, 833 54
1810	703, 994 03	81, 367 48	315, 783 47	2, 294, 323 94	83, 744 16
1811	644, 467 37	264, 904 47	457, 919 66	2, 032, 828 19	73, 043 88
1812	826, 271 55	347, 703 29	509, 113 37	11, 817, 798 24	91, 402 10
1813	780, 545 45	509, 941 01	738, 949 15	19, 652, 013 02	86, 989 91
1814	927, 424 23	177, 179 97	1, 103, 425 50	20, 350, 806 86	90, 164 36
1815	852, 247 16	290, 892 04	1, 755, 731 27	14, 794, 294 22	69, 656 06
1816	1, 208, 125 77	364, 630 40	1, 416, 995 00	16, 012, 096 80	188, 804 15
1817	994, 556 17	281, 995 97	2, 242, 384 62	8, 004, 236 53	297, 374 43
1818	1, 109, 559 79	420, 429 90	2, 303, 849 82	5, 622, 715 16	890, 719 90
1819	1, 142, 180 41	284, 113 94	1, 640, 917 06	6, 506, 300 37	2, 415, 939 85
1820	1, 248, 310 05	253, 370 04	1, 090, 341 85	2, 630, 392 31	3, 208, 376 31
1821	1, 112, 292 64	207, 110 75	903, 718 15	4, 461, 291 78	242, 817 25
1822	1, 158, 131 58	164, 879 51	644, 985 15	3, 111, 921 48	1, 948, 199 40
1823	1, 058, 911 65	292, 118 56	671, 063 78	3, 096, 924 43	1, 780, 588 52
1824	1, 336, 266 24	5, 140, 099 83	678, 942 74	3, 340, 939 85	1, 499, 326 59
1825	1, 330, 747 24	371, 606 25	1, 046, 131 40	3, 659, 914 18	1, 308, 810 57
1826	1, 256, 745 48	232, 719 08	1, 110, 713 23	3, 943, 194 37	1, 556, 593 83
1827	1, 228, 141 04	629, 211 87	826, 123 67	3, 938, 977 88	976, 138 86
1828	1, 455, 490 58	1, 001, 193 66	1, 219, 368 40	4, 145, 544 56	850, 573 57
1829	1, 327, 069 36	207, 765 85	1, 566, 679 66	4, 724, 291 07	949, 594 47
1830	1, 579, 724 64	294, 067 27	1, 363, 624 13	4, 767, 138 88	1, 363, 297 31
1831	1, 373, 755 99	298, 554 00	1, 392, 336 11	4, 841, 835 55	1, 170, 665 14
1832	1, 600, 757 74	325, 181 07	2, 451, 202 64	5, 446, 034 88	1, 184, 422 40
1833	1, 562, 758 28	955, 395 88	3, 198, 091 77	6, 704, 019 10	4, 589, 132 40
1834	2, 080, 601 60	241, 562 35	2, 082, 565 00	5, 696, 189 38	3, 364, 285 30
1835	1, 905, 551 51	774, 750 28	1, 549, 306 74	5, 759, 156 89	1, 854, 711 32
1836	2, 110, 175 47	533, 382 65	2, 740, 721 60	12, 169, 226 64	2, 892, 797 96
1837	2, 357, 035 94	4, 603, 905 40	2, 032, 428 93	13, 682, 730 80	2, 672, 169 45
1838	2, 688, 708 56	1, 215, 095 52	3, 256, 860 68	12, 897, 224 16	2, 156, 057 29
1839	2, 116, 982 77	987, 667 92	2, 621, 340 20	8, 916, 995 80	3, 142, 750 51
1840	2, 736, 769 31	683, 278 15	2, 575, 351 50	7, 095, 267 23	2, 603, 563 17
1841	2, 556, 471 79	428, 410 57	3, 505, 999 09	8, 801, 610 24	2, 388, 434 51
1842	2, 905, 041 65	563, 191 41	3, 307, 391 55	6, 610, 438 92	1, 378, 931 33
1843 (to June 30)	1, 222, 422 48	400, 566 04	1, 579, 724 48	2, 008, 671 95	839, 041 12
1844-44	2, 454, 958 15	636, 079 66	2, 554, 146 05	5, 218, 183 66	2, 032, 008 99
1844-45	2, 369, 652 79	702, 637 22	2, 839, 470 97	5, 746, 291 28	2, 400, 788 11
1845-46	2, 532, 232 92	409, 292 55	3, 769, 758 42	10, 413, 370 58	1, 811, 097 56
1846-47	2, 570, 338 44	465, 079 10	3, 910, 190 81	35, 840, 030 33	1, 744, 883 63
1847-48	2, 647, 802 87	448, 593 01	2, 554, 455 37	27, 687, 334 21	1, 228, 490 48
1848-49	2, 865, 196 91	6, 908, 996 72	3, 111, 140 61	14, 558, 473 26	1, 322, 867 64
1849-50	3, 027, 454 39	5, 990, 858 81	7, 025, 450 16	9, 687, 024 58	1, 806, 886 92
1850-51	3, 461, 219 51	6, 256, 427 16	8, 146, 577 33	12, 161, 965 11	2, 293, 377 22
1851-52	3, 439, 923 22	4, 196, 321 59	9, 867, 926 64	8, 521, 566 19	2, 401, 858 78
1852-53	4, 265, 861 68	950, 871 30	12, 246, 335 03	9, 910, 498 40	1, 756, 306 20
1853-54	4, 621, 492 94	7, 763, 812 31	13, 461, 450 13	11, 722, 282 87	1, 232, 665 00
1854-55	6, 350, 875 88	997, 007 26	16, 738, 442 29	14, 648, 074 07	1, 477, 612 33
1855-56	6, 452, 256 35	3, 642, 615 39	15, 260, 475 94	16, 963, 160 51	1, 296, 229 65
1856-57	7, 611, 547 27	999, 177 65	18, 946, 169 91	19, 159, 150 87	1, 309, 115 81
1857-58	7, 116, 339 04	1, 306, 508 72	17, 847, 851 19	25, 679, 121 63	1, 219, 768 30
1858-59	5, 913, 281 50	981, 946 87	16, 873, 771 68	23, 154, 739 53	1, 222, 222 71
1859-60	6, 077, 008 95	1, 146, 143 79	20, 708, 233 43	16, 472, 202 72	1, 100, 802 32
1860-61	6, 074, 041 83	1, 147, 796 91	16, 026, 554 79	23, 001, 530 67	1, 034, 599 73
1861-62	5, 866, 615 07	1, 339, 236 66	14, 160, 020 80	389, 173, 562 29	852, 170 47
1862-63	6, 294, 605 97	1, 241, 325 03	15, 062, 451 37	603, 314, 411 82	1, 078, 513 30
1863-64	7, 999, 683 50	1, 239, 893 66	18, 332, 639 71	690, 391, 048 66	4, 985, 473 90
1864-65	10, 784, 604 17	1, 251, 120 10	27, 798, 654 98	1, 030, 690, 400 06	16, 347, 621 34
1865-66	11, 964, 773 97	1, 315, 749 04	27, 312, 591 16	284, 154, 676 06	15, 005, 549 88
1866-67	15, 585, 489 55	1, 548, 589 26	33, 975, 948 46	95, 224, 415 63	20, 936, 551 71
1867-68	11, 950, 156 58	1, 441, 344 05	39, 618, 367 04	123, 246, 648 62	25, 782, 326 78
1868-69	12, 443, 712 07	8, 365, 416 77	35, 664, 932 69	78, 501, 980 61	28, 476, 621 78
1869-70	19, 031, 283 56	1, 490, 776 25	32, 715, 401 75	57, 655, 675 40	28, 340, 202 17

REPORT OF THE SECRETARY OF THE TREASURY.

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to June 30, 1870, under the following appropriate heads.

issued; all previous years are from the account of warrants paid.]

Indiana.	Naval estab- lishment.	Net ordinary ex- penditures.	Public debt, in- cluding principal & interest.	Total.	Balances in the treasury at the end of each y'r.
\$27,060 00	\$570 00	\$1,919,569 52	\$5,287,940 50	\$7,207,539 02	\$073,905 75
13,648 83	53 02	1,877,903 68	7,263,665 99	9,141,569 67	723,444 51
27,222 83	-----	1,710,070 26	5,619,505 29	7,529,575 55	753,661 60
13,042 46	61,406 97	3,500,546 65	5,801,578 09	9,302,124 74	1,151,294 17
23,475 68	410,562 03	4,350,658 04	6,064,411 61	10,435,069 65	516,449 61
113,563 98	274,784 04	2,531,930 40	5,835,846 44	8,367,776 84	888,995 49
62,396 38	329,631 89	2,833,590 06	5,792,421 82	8,626,012 78	1,021,899 84
16,470 09	1,381,347 76	4,623,293 54	3,990,994 14	8,613,517 68	617,451 43
20,302 19	2,858,081 84	6,480,166 72	4,596,876 78	11,077,043 50	2,161,867 77
31 22	3,448,716 03	7,411,369 97	4,578,369 95	11,989,739 92	2,623,311 99
9,000 00	9,111,424 00	4,981,669 90	7,991,707 04	12,973,376 94	3,295,391 00
94,000 00	915,561 87	3,737,079 91	9,539,004 76	13,278,084 67	5,020,697 64
60,000 00	1,215,230 53	4,002,894 94	7,956,159 43	11,958,983 67	4,825,111 66
116,500 00	1,189,839 75	4,452,858 91	8,171,787 45	12,624,646 36	4,037,005 26
196,500 00	1,597,500 00	6,357,274 62	7,369,889 79	13,737,124 41	3,999,388 99
234,900 00	1,649,641 47	6,080,209 36	8,989,884 61	15,070,093 97	4,536,123 80
285,425 00	1,722,064 47	4,864,572 89	6,307,730 10	11,922,292 99	9,643,850 07
213,575 00	1,894,067 80	6,504,338 85	10,269,945 35	16,764,884 39	9,941,899 96
337,503 84	2,427,758 80	7,414,672 14	6,452,554 16	13,867,226 30	3,846,036 78
177,625 00	1,654,244 90	5,311,082 29	8,008,904 46	13,319,898 74	2,672,276 37
151,875 00	1,965,566 39	5,582,604 68	8,000,204 05	13,601,809 91	3,529,305 80
277,845 00	3,959,365 15	17,829,498 70	4,448,692 45	22,279,121 15	3,662,217 41
167,358 28	6,446,600 10	26,082,396 92	11,106,123 44	39,190,520 38	5,196,542 00
187,394 66	7,311,290 60	30,127,686 38	7,900,543 94	38,028,230 32	1,727,846 63
530,750 00	8,660,000 25	36,953,571 00	12,622,922 35	39,582,493 35	13,106,592 88
274,512 16	3,906,978 30	23,373,432 58	24,671,062 93	48,244,495 51	22,033,519 19
319,463 71	3,314,586 49	15,454,609 92	25,423,036 12	40,877,646 04	14,989,465 48
505,704 27	2,853,695 00	13,806,673 78	21,296,201 62	35,104,873 40	4,478,528 74
463,181 39	3,847,040 42	16,300,273 44	7,703,926 29	24,004,199 73	2,079,992 38
315,750 01	4,387,990 00	13,134,530 57	8,622,494 28	21,763,024 85	1,198,461 21
477,605 44	3,319,243 06	10,723,479 07	8,367,083 02	19,090,379 69	1,681,592 24
575,007 41	2,224,458 98	9,827,643 51	7,848,949 12	17,678,592 63	4,237,427 55
380,781 92	2,503,765 89	9,784,154 59	5,530,016 41	15,314,171 00	9,463,922 81
429,987 90	2,904,561 56	15,330,144 71	16,568,393 76	31,896,538 47	1,946,597 13
724,106 44	3,049,083 86	11,490,459 94	12,095,344 78	23,585,804 72	5,201,650 43
743,447 83	4,218,902 43	13,062,316 27	11,041,062 19	24,103,398 46	6,358,686 18
780,624 88	4,263,877 45	12,653,085 65	10,003,668 39	22,656,764 04	6,668,286 10
705,024 24	3,918,786 44	13,296,041 45	12,163,438 07	25,459,479 52	5,972,435 81
576,344 74	3,308,745 47	12,660,490 62	13,383,667 78	25,044,356 40	5,755,704 79
622,262 47	3,229,428 63	13,229,533 33	11,355,748 22	24,585,286 55	6,014,539 75
930,738 04	3,856,183 07	13,664,067 90	16,174,378 22	30,032,446 12	4,502,914 45
1,352,419 75	3,956,370 29	16,516,388 77	17,840,309 29	34,356,698 06	9,011,777 55
1,603,980 93	3,901,356 75	12,713,755 11	1,543,543 38	24,257,298 49	11,702,905 31
1,003,953 20	3,956,260 42	18,425,417 25	6,176,565 19	24,601,992 44	8,892,858 42
1,766,444 48	3,864,939 06	17,514,950 28	58,191	17,573,141 56	26,749,803 96
4,615,141 49	5,807,718 23	30,868,164 04	-----	30,868,164 04	46,708,436 00
4,348,036 19	6,646,914 53	37,243,214 24	21,822 91	37,265,037 15	37,327,252 69
5,504,191 34	6,131,580 53	33,489,718 08	5,605,720 97	39,095,439 35	36,891,198 94
2,526,217 28	6,182,294 25	26,496,948 73	11,117,987 42	37,614,936 15	33,157,503 68
2,331,794 86	6,113,896 89	24,139,930 11	4,086,613 70	28,226,543 81	29,963,163 46
2,514,837 12	6,001,076 97	26,196,840 29	5,600,689 74	31,797,530 03	28,685,111 08
1,199,099 68	8,397,242 95	24,361,336 59	8,575,539 94	32,936,876 53	30,521,079 44
578,371 00	3,727,711 53	11,256,508 60	861,596 55	12,118,105 15	39,186,284 74
1,256,532 39	6,498,199 11	20,650,108 01	12,991,902 84	33,642,010 85	34,742,629 62
1,539,351 35	6,297,177 89	21,895,369 61	8,595,039 10	30,490,408 71	34,194,274 81
1,027,693 64	6,455,013 92	26,418,459 50	1,213,823 31	27,632,282 90	36,961,959 65
1,430,411 30	7,900,635 76	53,801,569 37	6,719,282 37	60,520,851 74	33,079,276 43
1,252,296 81	9,408,476 02	45,227,454 77	15,427,888 42	60,655,343 19	29,416,612 45
1,374,161 55	9,786,705 92	39,933,542 61	10,452,880 13	56,396,422 74	32,827,082 69
1,663,591 47	7,904,724 66	37,165,990 09	7,438,728 17	44,604,718 96	35,871,753 31
2,229,801 77	8,880,581 38	44,049,949 48	4,426,154 83	48,476,104 31	40,158,333 25
3,043,576 04	8,918,842 10	40,389,954 56	6,322,654 27	46,713,608 63	43,338,880 02
3,890,494 12	11,067,789 53	44,078,156 35	10,498,905 39	54,577,061 74	50,261,901 09
1,550,339 55	10,790,096 32	51,142,138 42	24,330,980 66	75,473,119 06	46,591,073 41
2,772,990 78	13,327,095 11	56,319,097 72	9,852,678 24	66,164,775 96	47,777,673 13
2,644,863 97	14,074,834 64	60,333,836 45	12,392,505 12	72,726,341 57	49,108,229 80
4,355,683 64	12,651,694 61	65,032,559 76	6,242,027 61	71,274,587 37	46,802,855 60
4,978,266 18	14,053,264 64	72,291,119 70	9,771,067 04	82,062,186 74	35,113,334 22
3,490,534 53	14,690,927 90	66,397,405 72	17,351,237 90	83,748,642 92	33,193,248 60
2,991,121 54	11,514,649 83	60,010,069 58	17,045,013 07	77,055,075 65	32,979,580 78
2,865,481 17	12,327,156 52	62,537,221 69	22,850,141 46	85,387,363 08	30,963,857 83
2,327,948 37	12,640,333 09	456,379,896 81	109,287,461 27	565,667,358 08	46,965,304 87
3,152,032 70	83,261,235 31	694,004,575 56	205,811,335 69	899,815,911 25	36,523,046 13
2,629,975 97	65,764,963 74	811,283,679 14	484,257,435 72	1,295,541,114 86	134,433,738 44
2,858,360 71	122,617,434 07	1,214,949,195 43	692,084,135 94	1,906,633,331 37	33,933,657 89
3,285,729 32	43,285,662 00	385,964,731 43	753,389,350 52	1,139,344,061 95	165,301,654 76
4,642,531 77	31,034,011 04	202,947,537 42	890,132,117 85	1,093,079,655 37	-----
4,100,629 32	25,775,502 72	229,915,088 11	839,974,892 63	1,069,889,970 74	-----
7,042,923 06	20,000,757 97	190,496,354 95	394,281,641 16	584,777,996 11	-----
3,407,938 15	21,780,229 87	164,421,507 15	538,466,335 73	702,907,842 88	-----

Statement of the public debt on the 1st day of January in each of the years from 1791 to 1842, inclusive, and at various dates in subsequent years to July 1, 1870.

January 1, 1791.....	\$75,463,476 52	January 1...1831.....	\$39,123,191 62
1792.....	77,227,924 66	1832.....	24,322,235 12
1793.....	80,352,634 04	1833.....	7,001,032 22
1794.....	78,427,404 77	1834.....	4,760,021 02
1795.....	80,747,587 39	1835.....	351,229 06
1796.....	83,762,172 07	1836.....	291,069 06
1797.....	82,064,479 33	1837.....	1,878,223 55
1798.....	79,228,529 12	1838.....	4,857,660 46
1799.....	78,408,669 77	1839.....	11,983,737 53
1800.....	82,976,294 35	1840.....	5,125,077 63
1801.....	83,038,050 80	1841.....	6,737,392 00
1802.....	80,712,632 25	1842.....	15,023,426 37
1803.....	77,054,686 30	July 1.....1843.....	27,203,450 89
1804.....	86,427,120 88	1844.....	24,748,122 23
1805.....	82,312,150 50	1845.....	17,093,794 20
1806.....	75,723,270 66	1846.....	16,750,926 33
1807.....	69,218,398 64	1847.....	32,966,623 39
1808.....	65,196,317 97	1848.....	42,526,379 37
1809.....	57,023,192 09	Dec. 1.....1849.....	64,704,693 71
1810.....	53,173,217 52	1850.....	64,222,238 37
1811.....	48,005,587 70	Nov. 20.....1851.....	62,560,395 26
1812.....	45,209,737 90	Dec. 30.....1852.....	65,131,692 13
1813.....	55,962,827 57	July 1.....1853.....	67,340,622 74
1814.....	81,487,846 24	1854.....	47,242,206 65
1815.....	99,833,660 15	Nov. 17.....1855.....	39,969,731 05
1816.....	127,334,933 74	Nov. 15.....1856.....	30,963,909 64
1817.....	123,491,965 16	July 1.....1857.....	29,060,326 90
1818.....	103,466,633 83	1858.....	44,910,777 66
1819.....	95,529,648 28	1859.....	52,754,699 33
1820.....	91,015,566 15	1860.....	61,769,703 02
1821.....	89,987,427 66	1861.....	90,867,222 62
1822.....	93,546,676 98	1862.....	514,211,371 92
1823.....	90,875,877 28	1863.....	1,092,793,121 37
1824.....	90,269,777 77	1864.....	1,740,690,429 49
1825.....	83,788,432 71	1865.....	2,622,593,026 53
1826.....	81,054,059 99	1866.....	2,783,425,279 21
1827.....	73,987,357 20	1867.....	2,692,199,215 12
1828.....	67,475,043 87	1868.....	2,636,320,964 67
1829.....	58,421,413 67	1869.....	2,429,002,420 58
1830.....	48,565,406 50	1870.....	2,326,358,599 74

Statement exhibiting the number and tonnage of registered, enrolled, and licensed vessels in the United States on the 30th June, 1870.

States.	Registered.		Enrolled.		Licensed under 20 tons.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
Maine.....	410	236,729.36	1,789	151,269.50	477	6,004.95	2,656	394,003.81
New Hampshire....	12	9,455.19	49	4,305.18	17	161.44	78	13,821.81
Vermont.....			28	5,857.72			28	5,857.72
Massachusetts.....	754	361,227.27	1,533	160,625.57	396	3,909.36	2,683	526,362.20
Rhode Island.....	18	4,556.17	137	38,954.73	44	546.12	119	44,057.19
Connecticut.....	64	14,735.21	476	61,511.94	175	2,071.17	715	78,318.39
New York.....	890	694,940.56	6,382	838,222.35	621	7,089.12	7,893	1,469,561.03
New Jersey.....	22	2,448.36	686	79,953.01	254	2,863.89	962	85,271.16
Pennsylvania.....	122	51,910.43	2,903	363,157.88	166	1,941.49	3,191	417,009.78
Delaware.....	8	1,994.49	130	11,704.20	19	946.40	157	13,945.09
Maryland.....	92	31,374.94	1,422	105,794.05	466	6,081.54	2,000	143,219.83
District of Columbia	30	4,044.75	344	24,164.79	54	595.86	428	28,805.40
Virginia.....	29	7,614.94	317	16,661.05	511	4,996.36	857	29,271.65
North Carolina.....	24	4,621.14	70	4,715.26	194	2,152.48	288	10,888.88
South Carolina.....	237	9,718.68	82	5,225.52	93	1,618.34	312	15,972.46
Georgia.....	39	12,481.04	35	4,233.46	16	156.01	83	16,878.51
Florida.....	65	8,266.14	59	5,463.79	124	1,217.63	248	14,947.56
Alabama.....	17	4,955.52	150	20,145.08	65	633.29	222	24,833.89
Mississippi.....			20	1,079.25	8	76.60	28	2,056.05
Louisiana.....	66	34,246.42	368	65,754.50	270	2,635.43	704	102,636.35
Texas.....	27	6,782.16	99	10,521.22	154	1,638.29	269	16,241.67
Tennessee.....			57	13,651.73	1	19.03	58	13,670.76
Kentucky.....			41	11,823.83	1	13.00	42	11,836.83
Missouri.....	6	867.64	222	94,368.04	2	10.87	230	95,266.55
Iowa.....			72	5,639.16	9	131.51	81	5,770.67
Minnesota.....			34	20,812.34	6	102.44	140	20,914.78
Wisconsin.....			241	40,875.45			241	40,875.45
Illinois.....	6	956.64	866	113,699.70	25	322.97	717	114,979.31
Indiana.....			40	7,052.85			40	7,052.85
Michigan.....	4	738.22	640	112,820.13	133	1,650.47	777	115,208.82
Ohio.....	16	3,779.53	1,125	154,925.35	49	619.61	1,190	159,324.49
West Virginia.....			85	14,401.09	9	125.73	94	14,526.82
California.....	143	69,109.12	629	85,308.26	185	2,370.77	957	156,788.15
Oregon.....	3	1,420.15	53	9,128.21	15	161.17	71	10,711.53
Washington Ter.....	39	9,054.72	41	13,283.55	23	186.91	102	22,525.18
Alaska.....	6	372.75					6	372.75
Total.....	2,942	1,516,800.06	21,525	2,667,940.62	4,531	51,766.55	28,998	4,246,507.23

SUMMARY.

The Atlantic and Gulf coasts.....	2,713	29,203.47	13,791	1,500,889.15	3,780	43,105.66	20,284	2,973,193.28
The northern lakes.....	5,067	678,420.53	5,063	675,630.48	238	2,945.19	5,349	684,704.90
The Pacific coast.....	191	79,956.74	723	107,720.02	222	2,720.85	1,136	190,397.61
The western rivers.....	10	15,010.62	1,928	393,700.97	291	2,994.85	2,229	396,806.44
Total.....	2,942	1,516,800.06	21,525	2,677,940.62	4,531	51,766.55	28,998	4,246,507.23

Statement exhibiting number and tonnage of sailing vessels, steam vessels, barges, and canal-boats in each customs district of the United States on June 30, 1870.

States.	Sailing vessels.		Steam vessels.		Barges.		Canal boats.		Total.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Maine	2,609	375,931.94	47	18,771.87	.....	.....	.....	.....	2,656	394,703.81
N. Hampshire ..	73	13,362.59	5	439.22	.....	.....	.....	.....	78	13,801.81
Vermont	22	1,316.51	6	4,541.21	.....	.....	.....	.....	28	5,857.72
Massachusetts ..	2,855	503,297.65	79	23,065.15	.....	.....	.....	.....	2,933	526,362.80
Rhode Island ..	168	17,401.00	31	26,656.12	.....	.....	.....	.....	199	44,057.12
Connecticut	654	52,105.37	54	25,249.82	.....	.....	.....	.....	715	77,355.19
New York	3,328	694,081.43	863	383,967.22	342	62,254.47	3	218.00	7,933	1,698,261.12
New Jersey	759	47,733.21	82	21,139.73	49	9,256.39	72	7,141.83	962	85,271.17
Pennsylvania	626	127,316.87	407	92,677.50	340	51,481.80	1	618.145	3,191	417,099.75
Delaware	127	8,396.98	19	4,564.39	8	674.97	3	308.75	157	13,945.09
Maryland	1,609	86,190.74	108	39,491.13	21	2,493.44	262	15,074.52	2,000	143,249.78
Dist. Columbia ..	65	4,078.42	28	5,951.94	29	991.75	276	17,791.29	428	28,812.44
Virginia	756	20,342.84	64	6,044.12	11	949.14	26	1,934.53	857	29,271.73
North Carolina ..	261	3,460.83	25	2,369.14	2	118.91	.....	.....	288	10,948.88
South Carolina ..	186	11,352.74	26	4,619.72	.....	.....	.....	.....	212	15,972.46
Georgia	54	12,646.65	29	4,223.86	.....	.....	.....	.....	83	16,870.51
Florida	218	10,697.23	30	4,250.33	.....	.....	.....	.....	248	14,947.56
Alabama	84	5,132.14	55	15,540.62	93	4,161.13	.....	.....	232	24,833.89
Mississippi	13	924.13	13	1,772.24	2	59.68	.....	.....	28	2,756.05
Louisiana	456	33,771.06	228	66,973.73	20	1,891.56	.....	.....	704	102,637.35
Texas	230	9,380.01	38	8,287.08	12	1,274.58	.....	.....	280	18,941.67
Tennessee .....	.....	.....	58	13,670.76	.....	.....	.....	.....	58	13,670.76
Kentucky .....	.....	.....	38	9,508.06	4	2,393.77	.....	.....	42	11,901.83
Missouri .....	.....	.....	159	70,485.15	68	24,498.52	3	292.88	230	95,286.65
Iowa .....	.....	.....	32	3,076.45	49	2,694.22	.....	.....	81	5,770.67
Minnesota .....	.....	.....	58	11,590.29	82	9,324.49	.....	.....	140	20,914.78
Wisconsin	904	27,292.02	37	13,563.43	.....	.....	.....	.....	941	40,855.45
Illinois	334	63,189.21	142	19,135.19	98	12,187.07	223	20,467.84	797	114,979.31
Indiana .....	.....	.....	37	6,646.83	3	406.02	.....	.....	40	7,052.85
Michigan	419	46,437.68	271	47,784.48	87	20,936.66	.....	.....	777	115,258.82
Ohio	322	54,279.36	181	53,328.29	122	21,812.87	565	29,903.97	1,190	150,324.00
West Virginia ..	.....	.....	73	12,274.44	21	2,252.38	.....	.....	94	14,526.82
California	761	106,881.42	136	42,434.45	60	7,472.28	.....	.....	957	156,788.15
Oregon	25	1,615.68	44	9,001.48	2	94.37	.....	.....	71	10,711.53
Washington Ter. ..	80	20,505.59	22	2,019.59	.....	.....	.....	.....	102	22,525.18
Alaska	6	372.75	.....	.....	.....	.....	.....	.....	6	372.75
Total	17,534	2,363,086.45	3,524	1,075,095.03	1,530	240,410.80	6,410	567,915.15	28,998	4,246,597.23

SUMMARY.

Atlantic and Gulf coasts.	14,708	1,966,619.26	1,716	616,655.94	590	84,541.71	3,270	305,361.37	20,284	2,973,127.28
Pacific coast	872	189,375.44	209	53,455.58	62	7,566.65	.....	.....	1,143	189,397.67
Northern lakes ..	1,699	264,608.78	642	142,973.09	114	27,569.53	2,694	249,533.50	3,349	644,704.90
Western rivers ..	255	2,482.97	904	202,010.48	764	120,732.71	246	12,960.28	2,229	325,705.86
Total	17,534	2,363,086.45	3,524	1,075,095.03	1,530	240,410.80	6,410	567,915.15	28,998	4,246,597.23

TREASURY DEPARTMENT, REGISTER'S OFFICE,
October 26, 1870.

JOHN ALLISON, Register.

REPORT OF THE SOLICITOR.

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
Washington, D. C., November 23, 1870.

SIR: I have the honor to transmit herewith six tabular statements exhibiting the amount, character, and results of the litigation under direction of this office for the fiscal year ending June 30, 1870, so far as the same are shown by the reports received from the United States attorneys for the several districts. These tables embrace, respectively—

1. Suits on transcripts of accounts of defaulting public officers, adjusted by the accounting officers of the Treasury Department.

2. Suits for the recovery of fines, penalties, and forfeitures under the customs revenue and navigation laws.

3. Suits on custom-house bonds.

4. Suits against collectors of customs and other agents of the Government for refund of duties and acts done in the line of their official duty.

5. Suits in which the United States was interested, not embraced in the foregoing classification.

6. A general summary or abstract hereto appended of all the other tables.

An examination of this summary will show that the whole number of suits commenced within the year was 1,868, of which—

37 were of class 1, for the recovery of.....	\$453, 937 98
594 were of class 2, for the recovery of.....	754, 100 00
441 were of class 3, for the recovery of.....	1, 538, 230 10
458 were of class 4.	
338 were of class 5, for the recovery of.....	2, 620, 739 36

Making a total sued for, as reported, of.....	5, 367, 007 44
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Of the whole number of suits brought, 692 were disposed of within the year, as follows, to wit: 388 were decided in favor of the United States; 11 were adversely decided; 261 were settled and dismissed. In 32, penalties were remitted by the Secretary of the Treasury, leaving 1,176 still pending. Of those pending at the commencement of the year, 123 were decided for the United States, 83 were decided adversely, and 422 were settled and dismissed. The entire number of suits decided or otherwise disposed of during the year was 1,320; the whole amount for which judgments were obtained, exclusive of decrees *in rem*, was \$272,393 16, and the entire amount collected from all sources was \$477,025 37.

The following tables exhibit a comparative view of the litigation of the last year and the next preceding one:

In suits commenced during the fiscal years ending June 30, 1869, and June 30, 1870.

Date.	Aggregate sued for.	Aggregate in judgment for the United States.	Collected.	Decided for the United States.	Decided against the United States.	Settled and dismissed.	Remitted.	Pending.	Total number of suits brought.
June 30, 1869.....	\$10, 087, 346 98	\$72, 070 05	\$328, 358 46	342	22	292	3	1, 510	2, 160
June 30, 1870.....	5, 367, 007 44	73, 388 24	231, 894 71	385	11	261	32	1, 176	1, 868

In suits commenced prior to the fiscal years ending June 30, 1869, and June 30, 1870.

Date.	Aggregate of judgments in old suits.	Decided for the United States.	Decided against the United States.	Settled and dismissed.	Collections in old suits.	Total number of suits disposed of.	Total number of judgments in favor of United States.	Whole amount of judgments.	Whole amount collected.
June 30, 1869.....	\$260,763 80	191	54	427	\$391,436 78	1,333	533	\$332,833 85	\$719,795 24
June 30, 1870.....	199,004 92	133	83	422	245,140 66	1,320	511	272,392 16	477,025 37

I am, very respectfully,

E. C. BANFIELD,
Solicitor of the Treasury.

HON. GEO. S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE SUPERVISING ARCHITECT.

TREASURY DEPARTMENT,
OFFICE OF THE SUPERVISING ARCHITECT,
October 30, 1870.

SIR: I have the honor to submit for your consideration the following report of the progress of the various works with the construction of which this office has been charged, and of the condition of the public property under its supervision, together with some recommendations in regard thereto.

During the past year the only new works that have been commenced are the court-house and post office buildings at Omaha, Nebraska, Knoxville, Tennessee, and the assay office at Boise City, Idaho. Plans were prepared, and arrangements made, for the erection of the court-house and post office building at Columbia, South Carolina, the custom-house and post office building at Machias, Maine, and the custom-house, court-house and post office building at Nashville, Tennessee; but the construction given to the fifth section of the act making appropriations for the civil service of the Government for the present fiscal year by the First Comptroller of the Treasury left this office without funds, and it has consequently been unable to commence operations. Work has been prosecuted as rapidly as the means at the disposal of this office would permit on the Treasury building; the custom-houses at Portland, Maine; Portland and Astoria, Oregon; Cairo, Illinois, and Charleston, South Carolina; on the court-houses and post offices at New York, N. Y.; Des Moines, Iowa; Madison, Wisconsin, and Portland, Maine; on the post office and treasury building at Boston, Massachusetts; on the branch mint at San Francisco, California; on the appraisers' stores at Philadelphia, Pennsylvania; on the revenue dock at the Battery, New York City, and on the paving and grading of the court-house and post office property at Springfield, Illinois. Work has been entirely suspended on the custom-house at St. Paul, Minnesota, and on the marine hospital at Chicago, Illinois, it being found impossible to complete the building within the limit fixed by law, the appropriations being available only on that condition. The work on the proposed branch mint at Dalles City, Oregon, has also been suspended, it being deemed desirable

by the Department that it should be completed as an assay office rather than as a mint, for which special authority is required.

The custom-house at Wiscasset, Maine, has been completed and occupied. The court-house and post office building at Des Moines, Iowa, is now nearly ready for occupancy, and will be finished the present season. The court house and post office building at Portland, Maine, and Madison, Wisconsin, and the appraisers' stores at Philadelphia, Pennsylvania, could have been completed this year had the amounts asked for at the last session of Congress been granted. It has been found impossible to reduce the cost of the buildings below the amounts then estimated, and their completion is therefore necessarily deferred until the necessary appropriations are granted.

The following buildings have been thoroughly renovated, repaired, and remodeled, and are in many respects in even better condition than when last completed, namely: the custom-house, court-house, and post office buildings at Bath, Maine; Chicago and Galena, Illinois; Detroit, Michigan; Louisville, Kentucky; Mobile, Alabama; Petersburg, Virginia; Savannah, Georgia; and Wilmington, Delaware.

Repairs more or less extensive have been made on the custom-houses at Alexandria, Virginia; Boston, Massachusetts; Baltimore, Maryland; Buffalo, New York; Cleveland, Ohio; Cincinnati, Ohio; Dubuque, Iowa; Eastport, Maine; Erie, Pennsylvania; Georgetown, District of Columbia; Gloucester, Massachusetts; Key West, Florida; Milwaukee, Wisconsin; New Orleans, Louisiana; Norfolk, Virginia; New Haven, Connecticut; Newark, New Jersey; Newport, Rhode Island; Oswego, New York; Portsmouth, New Hampshire; Pensacola, Florida; Pittsburg, Pennsylvania; Plattsburg, New York; Providence, Rhode Island; San Francisco, California; St. Louis, Missouri; and Wheeling, West Virginia; the court houses at Baltimore, Maryland; Boston, Massachusetts; Indianapolis, Indiana; Philadelphia, Pennsylvania, and Rutland, Vermont; the marine hospitals at Chelsea, Massachusetts; Cleveland, Ohio; Portland, Maine, and St. Louis, Missouri; on the appraisers' stores at San Francisco, California; the branch mint at Charlotte, North Carolina, and the sub-treasury in New York City.

The business of the post office at Philadelphia, Pennsylvania, having increased to an extent that rendered it impossible to transact it without increased accommodations, an addition was made to the building that will probably answer all demands for a few years; but as the business is steadily increasing and the building is not fire-proof, and is small for a city of the magnitude of Philadelphia, it will soon become necessary to erect a suitable fire-proof building for the use of the Post Office Department.

An appropriation was also made for the extension and remodeling of the post office at Baltimore, Maryland. Plans have been prepared therefor, but as it is doubtful if the relief thus afforded would be more than temporary, operations have been suspended pending further investigation. I would strongly recommend that authority be granted for the purchase of the Merchants' Bank, which is a part of the custom house and post office building, its being in private hands, greatly impairs the value of the government property, and is required for the proper accommodation of the sub-treasury, created by the act approved June 15, 1870.

The custom house and post office building at Chicago, Illinois, was considered, when completed, out of the city, entirely too large for the present or prospective wants of the government, and extravagant in cost and construction; yet, though twelve years have scarcely elapsed, it is now in the heart of the business portion, overcrowded and too small to

In suits commenced prior to the fiscal years ending June 30, 1869, and June 30, 1870.

Date.	Aggregate of judgments in old suits.	Decided for the United States.	Decided against the United States.	Settled and dismissed.	Collections in old suits.	Total number of suits disposed of.	Total number of judgments in favor of United States.	Whole amount of judgments.	Whole amount collected.
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Solicitor of the Treasury.

Hon. GEO. S. BOUTWELL,
Secretary of the Treasury.

REPORT OF THE SUPERVISING ARCHITECT.

TREASURY DEPARTMENT,
OFFICE OF THE SUPERVISING ARCHITECT,
October 30, 1870.

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by the Department that it should be completed as an assay office rather than as a mint, for which special authority is required.

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The custom-house and post office building at Chicago, Illinois, was considered, when completed, out of the city, entirely too large for the present or prospective wants of the government, and extravagant in cost and construction; yet, though twelve years have scarcely elapsed, it is now in the heart of the business portion, overcrowded and too small to

accommodate all branches of the public service in that city, and when compared with the ornate buildings that surround it, a plain and unassuming structure. During the past year the side-walks surrounding the building have been excavated, and the heating and plumbing apparatus and the fuel vaults removed thereto, thereby utilizing the whole basement for the wants of the Post Office Department. A large part of the lobby on the principal floor has also been inclosed, no further space for the postal service can be obtained in that structure.

I regret to state that the progress of the work on the post office and treasury building at Boston, Massachusetts, has not equalled the expectations of this office. Unforeseen and unexpected embarrassments have been met, and obstacles encountered that have seriously delayed the progress of the work, and could not have been anticipated. The generous coöperation of the authorities of the city of Boston, who have from the first granted the Department every facility, rendered the opposition of a few citizens the more unexpected, but which, I am happy to say, has only resulted in a temporary delay. The contract for the granite-work of the building, which was made on the 26th day of October, 1869, has been ratified under the provisions of the act of Congress, approved July 15, 1870, the material being furnished by the Cape Ann Granite Company. The quality of the granite is unexceptionable, and the character of the workmanship cannot be surpassed. The site of the building has, however, been found insufficient, and as the owner of the adjoining property has persistently refused to dispose of any portion except at exorbitant rates, proceedings have been commenced under the statutes of the State of Massachusetts to condemn the portion necessary to provide a passage for the mail wagons, the balance of the original appropriation for the purchase of the property being deemed ample for the purpose.

The remarks in regard to the progress of work on the post office at Boston apply with equal force to the post office building at New York. The delay has not, however, arisen from any negligence on the part of the Department or its agents, the amount of the available appropriation being practically exhausted at present, and will be entirely so before the meeting of Congress. The most difficult portion of the work has, however, been completed in a highly creditable and satisfactory manner. The contract for the iron-work to the first floor has been awarded to the Ætna Iron Works of that city. The contract for the granite work, which was made on the 2d day of September, 1869, has been ratified under the provisions of the act of Congress, approved July 15, 1870, the material being furnished from the quarries at Dix Island, Maine. The quality of the granite and of the workmanship is of the most superior character. The limit fixed by Congress as the cost of this building will, if insisted on, necessitate the adoption of a timber, instead of fire-proof, construction above the main story, including the roof, the estimates having been again revised, and compared with the working drawings, most of which, including those of the entire granite-work, are completed. It is sincerely to be hoped that Congress will authorize the amount necessary to complete in a proper and substantial manner this building, which is situated in the most conspicuous part of the great metropolis of the nation, and should be in every respect worthy of its location and the Government which it represents. I believe that the necessity for its completion at the earliest practicable moment cannot be overestimated, both on account of the convenience of the public and the interests of the Government. I will add that the building when finished will be the *cheapest*, considering the thorough character of its construction and the *magnitude of its proportions*, owned by the Government.

The improvements in progress on the south front of the Treasury building have been since the date of my last report completed, and have proved entirely satisfactory, the fine proportions of that front being for the first time revealed. I again recommend that the incongruous skylight behind the portico be removed, and the vestibule completed according to the original design, or finished in the same manner as on the north front. The latter plan has the advantage of economy, and of affording considerable additional room, which is much needed. The extension of the main staircase to the upper story and the construction of the skylight and interior dome have been completed, and add greatly to the comfort and appearance of the building. The reconstruction of the interior of the northwest corner of the building, which has been a task of more than usual difficulty, is nearly finished, and will complete the interior of the extension. The system of ridge ventilation introduced by me on the north wing, has been extended to the remaining portions of the building, and the stairways ventilated on the same principle. The heating apparatus of the south and west wings has been improved and thoroughly repaired. Arrangements have been made for the removal of the ink-mill, machine and blacksmith shops, &c., belonging to the Note Printing Bureau, after the removal of which, the ventilation of the building will be in good condition, and the atmosphere free from the pestilential odors that have pervaded it for so many years. The printing and engraving departments of the Note Printing Bureau not only occupy the attic, but have encroached on the upper stories of the building, of which they now occupy a considerable portion. The space, however, is much needed for other purposes, and as the Department is overcrowded, and its business will not probably decrease, I earnestly recommend the erection of a suitable building for that important Bureau.

I again desire to call attention to the unsightly and useless drive-way on the west front, and the enormous width of the area, which seriously injures the symmetry and beauty of the principal front of the building; and as there is a great deficiency in storage-room for coal, I earnestly recommend that an appropriation may be obtained for the construction of additional coal-vaults, and a subway for the removal of ashes, &c., which would enable this blemish to be remedied at a moderate expense. There is also a pressing necessity for additional closet accommodation, and a thorough renovation and repainting of the interior of the entire building.

I venture once more to call attention to the importance of early action in regard to the condemnation of a strip of property on the east side of Fifteenth street, between New York and Pennsylvania avenues, required by the plan for the improvement of the east front of the Treasury building, submitted with my report for the year 1868, feeling assured that no cheaper or more satisfactory solution of the problem presented by the unfortunate location of this magnificent building can be devised. Every improvement that is made on the property in question increases the amount necessary to carry this plan into effect, and I respectfully submit that after expending the sum of \$6,700,000 upon the Treasury building, it is too late to pretend to economize by leaving it mutilated and unfinished. The extension of the Treasury building was, in my opinion, an error, the old portion being constructed of a worthless sandstone that would have perished long since had it not been protected by paint. This portion of the building is not only an unworthy sham, but is badly arranged, unsuitable for the wants of the Department, and must sooner or later be reconstructed to correspond with the magnificence and solidity of the new granite extension.

The commission appointed by the present Congress to submit a plan for improving and establishing the grades of the streets adjoining the Treasury grounds has completed its report for submission to Congress, when it is hoped that this important question may receive a prompt and satisfactory solution. In this connection I desire again to call attention to the improvement of the grounds of the Executive Mansion on the south front, and the filling of the north half of reservation No. 1, or the "White lot," which has been, thus far, effected without expense to the Government, and which, when completed, will remove all objections to the health of this locality. I trust that the necessary appropriations will be made to enable the Commissioner of Public Buildings and Grounds to complete Executive avenue, including the fencing of the same, and venture to express the hope that steps may be taken to improve the various reservations between the Executive Mansion and the Capitol, which, at a slight expense, may be connected and combined into a continuous park, worthy of the national capital, and accessible to all, and affording an agreeable and convenient means of communication between the points named.

I desire to renew my recommendations that immediate steps be taken to secure a sufficient portion of the Battery at New York for the use of the revenue department at that port. The present custom-house is not well adapted to the wants of the Government, neither can it be made so, already overcrowded, the demand for additional space is daily increasing. The accommodations for the appraisers' department, though probably as good as any that can be obtained in the city, are unsatisfactory, and will be found inadequate before the termination of the present lease. The annual rental has already been increased from \$32,500, in 1864, to \$66,003 25, which is now paid, while a large expenditure has been made, in addition, to adapt the building to the wants of the Department. I believe that, irrespective of the improved character of the accommodations to be obtained, it will be found desirable, as a mere question of economy, to erect on the Battery buildings sufficient to accommodate the various branches of the custom-house, including warehouses for the appraisers' department, for unclaimed goods, and for other purposes; and as the property in question is the only unoccupied space of sufficient size in the city of New York that could be obtained for the purpose, I cannot too strongly recommend that the necessary authority be obtained from Congress to enable the Secretary of the Treasury to negotiate for its acquisition by the Government. The revenue dock, which is now being constructed on a portion of the property, is nearly completed, and I would respectfully suggest that before proceeding with the erection of the barge office it would be desirable to investigate and decide the various questions involved in the preceding recommendations, which are more fully explained in my last report, to which I respectfully refer.

I have previously called attention to the unoccupied portion of the custom-house lot in San Francisco, California, and in my last report recommended the confirmation of the conditional lease that had been entered into with parties in that city. This recommendation was not, however, approved. I again respectfully call attention to this property, which is situated in the heart of the commercial portion of the city, and is in its present condition a disgrace to the government, a nuisance to the city, and a serious injury to the adjoining property. It appears to me that the property should be sold, leased, or utilized by the erection of a building thereon. The government is at present paying rents, amounting to \$67,800 per annum, for the accommodation of the various public offices located in that city. The property is worth at the lowest valua-

tion not less than \$100,000 in gold coin. If the interest on this sum be added to the amount paid for the rental of property for government purposes, it will be seen that the sum of \$73,800 per annum is wasted and paid for accommodations far inferior to those which might be provided on this property. I have previously alluded to the great cost of pile foundations as a reason for disposing of this property. The success that has attended the efforts to obtain a foundation for the mint in that city by the use of beds of concrete, leads me to believe that piling may be dispensed with and that great expense avoided. A substantial and well constructed building of brick and timber would probably be better adapted to the location than of cut stone and iron, and could be made comparatively fire-proof at a moderate expense, while the building being isolated from others by wide streets, little danger would exist in case of the destruction of the surrounding buildings.

The custom-house at Portland, Maine, is now nearly completed, and will, it is believed, prove second in point of convenience and adaptation to the wants of the Government to none in the country. The wharves in front of the building are needed as a landing for the revenue boats and for passengers arriving from foreign ports, and can now be obtained on most advantageous terms. I earnestly recommend an appropriation for their purchase.

I desire to call attention to the unsuitable and insufficient character of the custom-house, court-house, and post office buildings at Cincinnati, Ohio, and St. Louis, Missouri, and to urge the importance of making appropriations sufficient for the erection of suitable buildings in those cities at an early date. It is difficult to decide which is the worse lighted and ventilated or the most deficient in accommodations, but it is believed that while the former is much the smaller and more crowded the latter can claim precedence in unfitness and general discomfort, and has been frequently presented as a nuisance by the grand jury of the United States district court, which presentment has been fully approved by the judges. An appropriation of \$300,000 was made at the last session of Congress for the commencement of a new building at St. Louis and the preparation of plans directed. As the appropriation was made contingent upon the donation to the Government of a suitable lot the preparation of the plans has not been commenced, no action as yet having been taken by the city.

The Government having been informally offered one of the most valuable and eligible lots at Hartford, Connecticut, by the authorities of that city, as a site for a court-house, post office, &c., I strongly recommend that an appropriation be made for the erection of such a building, and that authority be given the Department to accept the proposal, the necessity for a suitable building in that city being urgent and the offer exceedingly liberal.

The temporary roof on the custom-house at New Orleans, Louisiana, has been renewed and a survey of the building made in order to determine the best method of completing and utilizing that structure, the results of which will be submitted for approval at as early a date as practicable. I do not, however, believe that any expenditure thereon would result in providing a suitable, creditable, or convenient building.

Work has been resumed on the custom-house at Charleston, South Carolina, which will be hastened to completion as rapidly as the nature of the work and the means at the disposal of the office will permit, and will when completed be an ornament to the city.

An admirable site for the building now in course of erection at Knoxville, Tennessee, has been purchased for the nominal sum of five thou-

sand dollars, the balance of the purchase money having been contributed by the citizens. The custom-house lot at Nashville, Tennessee, which was badly located and entirely too small, has been exchanged for one of the most eligible and desirable pieces of property in that city. A fine lot has been donated to the Government at Columbia, South Carolina, by the citizens of that place. The decision of the Comptroller has rendered it impossible to commence work on the building without further legislation. The old custom-house lot at Wiscasset, Maine, has been sold, and the marine hospital property at Vicksburg, Mississippi, and Wilmington, North Carolina, offered for sale but withdrawn, no satisfactory proposals having been obtained. I would recommend that authority be obtained for the sale of the branch mints at New Orleans, Louisiana, Dahlonega, Georgia, and Charlotte, North Carolina, or the conversion of the latter into an assay office; the old custom-house lot at Astoria, Oregon, the custom-house lot at Perth Amboy, New Jersey, and the old court-house at St. Augustine, Florida. I would also in this connection renew my recommendation for the passage of a law authorizing, under proper restrictions, the disposal at public auction of property no longer needed by the Government, believing that it would greatly facilitate business and save money to the treasury.

I desire to renew my recommendations for the sale of the small marine hospitals, retaining only those at the principal ports. I would also strongly recommend the transfer of David's Island near New York City, together with the hospital buildings thereon, and of Sedgwick hospital near New Orleans, Louisiana, to the marine hospital establishment, they being no longer needed for military purposes, and most admirably adapted to the wants of the Treasury Department. I would also renew my recommendation that authority be obtained for the sale of the unfinished iron structure known as the marine hospital at New Orleans, Louisiana. It is situated in an unhealthy and unsuitable locality, and will require a much larger sum to repair and complete than the value of a well-arranged and suitably constructed hospital of proper size. I would also recommend that authority be granted for the sale of the marine hospital building at San Francisco, which was abandoned in 1867, on account of fears for its stability, and which is now rapidly becoming a ruin. It was originally constructed of inferior materials, and has been much damaged and neglected. I cannot recommend the expenditure of the large sum that would be needed to place it in repair, and believe that the sale of the old hospital and the erection of a new one on the pavilion plan, either on the premises, or on one of the neighboring reservations, would be the most desirable and advantageous arrangement, the estimated cost of a well-built and commodious hospital, on the plan above indicated, being less than that of the repairs needed on the present building.

The following hospitals are now under lease, viz., at Louisville, Kentucky, Mobile, Alabama, and Wilmington, North Carolina.

In my last report I called attention to the delay and embarrassment caused by the system of insufficient and partial appropriations for public works, which causes not only great and unnecessary delay in their construction, but greatly increases their cost, in many cases more than doubling the incidental and contingent expenses. I would most respectfully renew my recommendations that the estimated cost of the proposed building should be at once placed at the disposal of the Secretary of the Treasury, to be expended at his discretion, as rapidly as the necessities of the work should require. If this is deemed undesirable, I respectfully recommend the repeal of the provision of law restricting the amount of

contracts to the appropriation on hand. There can, it appears to me, be no valid objection to authorizing the Department to enter into contracts not to exceed the estimated cost of the buildings, provided payment is made contingent upon appropriations being granted therefor. This principle has been sanctioned by Congress in regard to the post-office buildings at New York and Boston with good results, and I feel confident that an extension of the same principle to all public works would prove most advantageous.

I also desire to call special attention to the uselessness of attempting to economize by restricting the cost of work below the amount absolutely necessary to accomplish the object indicated. Instances are not unfrequent in which the Department has been directed to erect certain works, but has, at the same time, been prohibited from expending the amount necessary to accomplish the object. The size and character of buildings are necessarily determined by the use for which they are intended, and the size and character in turn determine the cost. If the limit fixed by law, as the cost of the building, is below that required by the necessities of the case, it is evident that the limit must be exceeded or the money wasted in the erection of a building worthless for the purpose for which it was designed, and, consequently, to the Government. The inability of the Department to erect buildings for the amounts to which it has been limited has been, in many cases, the cause of much criticism, but I would respectfully submit that it is scarcely just to hold it responsible for estimates it has neither prepared nor indorsed, or to charge it with failure because it has been unable to accomplish impossibilities.

The system of returns, to which I called special attention in my last report, has proved an absolute check upon the expenditures on the various buildings now in course of erection, and has enabled this office to compare the cost of the different items of work in the several localities, and the efficiency of the various superintendents, and has furnished an exhibit of the fluctuations in the cost of each branch of labor, or of material, during each month. It has also furnished reliable data for the preparation of estimates, which are now carefully computed in detail. It gives me great pleasure to report that the estimates that have been prepared in this office during the past two years have proved remarkably accurate, and that, save in one or two exceptional cases on the Pacific coast, where the cost of material and labor has exceeded all expectations, the cost of work has been kept within their amount. The result of the various proposals received under advertisement during the past year has also, in every instance, furnished gratifying evidence of their correctness.

The system of operations, explained in my former reports, has been adhered to with even more satisfactory results than heretofore, both as regards the material and manufactured work furnished under contract, and that performed by days' labor. The work has been, in most cases, of the most superior character, and in all good, while the cost has been, as a rule, below average market rates in the same locality. At the same time, if it were possible to award public in the same manner as private contracts are awarded, much labor would be saved the Supervising Architect, and it is probable that many other advantages would be found to result therefrom, but public officers are virtually compelled to award contracts to the lowest bidder, irrespective of his character or reputation, even though they may know that he is dishonest or incompetent, or attempting to obtain the work at an inadequate price as a basis for a subsequent claim against the Government. The result is, of course,

disastrous, while the bonds filed are practically worthless to the Government from the difficulty of enforcing them. Bonds are unnecessary in contracting with honorable and responsible men, and utterly worthless as a protection against rogues and shysters, thus placing the honest, *bona fide* bidder at the mercy of the dishonest and irresponsible one.

I desire to call special attention to the system adopted for the supply of granite-work for the post offices at Boston and New York, by which the contractor is allowed a stated percentage on the cost of the work, which is performed under the immediate supervision of a duly authorized agent of the Department. The advantages of this system may be briefly stated as follows, namely, the work being performed under the direction and personal supervision of an agent of the Government, there is no opportunity for fraud, and there being a fixed and equitable profit allowed, there is little or no temptation therefor, and no inducement to furnish an inferior quality of work, or to delay the fulfillment of the contract. The interests of the Government and the contractor are made as nearly identical as possible, both being interested in having good and satisfactory work done, and in having it completed as rapidly as possible. The operations of this system, where tested, have been most satisfactory, and, in my opinion, it is the most equitable one that has been devised.

I again call attention to the necessity for an appropriation for the pay of janitors for the various public buildings under the supervision of this Department, there being at present no law under which they can be appointed or paid. Many of the most valuable buildings are occupied by officers of various Departments, and, in the absence of a duly-appointed guardian, are exposed to depredations and injury, and are virtually at the mercy of any evil-disposed person. This has been remedied as far as the power of the Department will permit by the designation of one of the officers as custodian, but as this appointment is purely honorary, and carries with it neither compensation nor authority to employ any one to protect or clean the building, much valuable property is destroyed or defaced. It appears to me that public property should receive at least as much care as would be bestowed on private, and I am unable to see any economy in neglect.

The small appropriations granted for repairs and preservation of public buildings have not enabled the Department to keep them in proper condition. Most of the buildings erected prior to the war were defective in construction, and consequently have needed extensive repairs, and, in many cases, entire remodeling, including the reconstruction of important portions of the work. The buildings in the Southern States were, without exception, so seriously injured during the war that large expenditures were indispensable for their preservation. A large number of buildings, including many of the most important, are now much in need of repairs, and, with few exceptions, the necessity for painting and renovation is pressing. I do not think the amount estimated for the next fiscal year can be reduced with due regard to the protection of the Government property, and is but two-thirds of one per cent. on the value of the buildings; but I believe if they are once placed in thorough and complete repair, they can be maintained in suitable condition at a cost not to exceed one-half of the above percentage.

I also desire to urge the importance of more liberal appropriations for furniture. Few buildings now owned by the Government are properly or even decently furnished—in many cases a few rickety chairs and tables being the sole representatives of the extravagance that is supposed by many persons to pervade this branch of the Government ex-

penditures. Experience has demonstrated the utter uselessness of supplying cheap and temporary articles; and that the only judicious plan is the furnishing of all buildings in a proper manner with the necessary number and kind of plain, substantial, and suitable articles, and then holding officers for whose use they are designated to a rigid accountability for their proper preservation.

In this connection I desire most earnestly to recommend that the practice of converting public buildings into establishments for the accommodation of retail venders of peanuts, apples, and other similar commodities, be prohibited by law. The vestibules and approaches of many of our buildings are, at present, disfigured, and the public incommoded, by the stalls that benefit no one but the owners. I am at a loss to see why one citizen has not as good a right to carry on his private business in a public building as another, or why certain favored persons should enjoy a monopoly of these stands.

Most of the buildings under charge of this office were erected at a time when the subject of heating and ventilation received little attention; a matter now recognized as of vital importance, and an indispensable requisite in a public edifice. These buildings were, with few exceptions, heated with furnaces of antiquated construction that have been abandoned as worthless, necessitating the introduction of suitable apparatus, which is being done as rapidly as the means at the disposal of the Department will permit.

The system of providing fuel, light, and water for each building from one general appropriation has proved as advantageous as was anticipated, and has resulted in considerable saving to the Government, besides systematizing the expenditures under the proper head. The estimates submitted will, with proper economy, prove sufficient for the purpose.

In conclusion I desire to say that, in the preparation of the estimates accompanying this report, in the preparation of designs, and in the execution of the work performed under my supervision, I have endeavored to conform strictly to your instructions to reduce all estimates and expenditures to the lowest amount consistent with the necessities of the Government and the requirements of good and permanent construction. I also wish to express my gratification at the cordial support and assistance I have received, and to return my sincere thanks therefor,

And remain, with great respect, your obedient servant,

A. B. MULLETT,
Supervising Architect.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF CHIEF OF THE BUREAU OF STATISTICS.

TREASURY DEPARTMENT,
Bureau of Statistics, October 31, 1870.

SIR: I have the honor to submit the following report of the operations of this Bureau during the fiscal year ended June 30, 1870:

CLERICAL FORCE.

The clerical force of the Bureau at the close of the year consisted of 31 male and 8 female clerks, who were employed as follows:

Division.	Name of chief.	Number of clerks.		
		Male.	Females.	Total.
Examination	J. N. Whitney	4	1	5
Compilation	Thomas Clear	17	1	18
Tonnage and immigration	L. F. Ward	2	1	3
Registry of merchant marine	J. B. Parker	3	1	4
Revision and miscellaneous	A. W. Angerer	2	1	3
Publication and miscellaneous	James Ryan	1	1	2
Library and files	E. F. M. Faetz	2	.....	2

* Mr. Angerer is also translator to the Bureau.

In addition to the female clerks above designated, one has charge of the correspondence, and another is a copyist.

At the present time the clerical force consists of one chief clerk, (Mr. E. B. Elliott, who was appointed in September last,) 32 male, and 7 female clerks.

WORK OF THE BUREAU.

Owing to the peculiar and varied character of the work performed in the Bureau, it is impossible to furnish a tabular exhibit which shall indicate its nature and extent.

Examination.—In the division of examination, for example, the following work was performed:

Number of pages of letters written.....	4, 639
Letters acknowledged, over.....	2, 000
Acknowledgments of statements, written	3, 600
Statements examined.....	24, 000
Statements called for.....	400
Statements corrected by correspondence.....	1, 000

The above figures give, however, a very inadequate conception of the critical and elaborate examination of the various monthly and quarterly returns from the several custom-houses, or of the variety of work of a miscellaneous character accomplished in that division.

Compilation.—The same remark is applicable to the other divisions, especially to those in which the clerks are engaged in the compilation of the statistics of commerce, a labor which, in addition to the preparation of statements for members of Congress and others, cannot be fully expressed by figures.

Immigration.—The influx of alien passengers, who intend to make this country their future home, has been deemed of such vital interest to our material prosperity, that the collection and digest of the statistics of immigration have been assigned to and constitute the principal part of the duties of one division. Much care has been exercised to obtain and publish accurate statements of the age, sex, nationality, occupation, &c., of immigrants. Systematic inquiries instituted during the year have revealed the fact that large numbers come across the Canadian frontier, either directly from the British Provinces, or through them from Europe, of which movement previous reports have furnished no account; and it is to be regretted that the condition of much of the northern frontier, as to facility of crossing, and also as to the absence of means and regulations for the proper registry of persons entering our territory, is such, that full and trustworthy returns are at present impracticable.

Emigration.—The importance of securing statistics of the departure of emigrants from this country has also been recognized, and special

efforts have been made to render them as complete as possible in the total absence of compulsory legislation on the subject.

Numbering vessels, tonnage, &c.—Agreeably to the requirements of the act of July 28, 1866, the second annual statement of "vessels registered, enrolled, and licensed under the laws of the United States, designating the class, name, tonnage, and place of registry," as well as the official number and signal letters awarded to each vessel, was prepared, and 5,000 copies published. The officers of customs, the commanders of United States war vessels, and the largest merchant vessels engaged in the foreign trade, as well as the principal ship-owners, have been supplied with it. A supplement has also been published, completing the record to April 22, 1870. A similar statement, showing the merchant vessels of the United States up to June 30, 1870, has been compiled, and will shortly be sent to press.

As in other departments of inquiry, accuracy and completeness have been the first considerations. Difficulties in obtaining prompt and accurate returns from the various collectors and surveyors of customs have, by persistence, been surmounted, so that the Bureau is now able to publish the condition of our merchant marine with confidence as to its correctness.

A table exhibiting the number of vessels and amount of tonnage belonging to the several customs districts of the United States on the 30th of June, 1870, geographically classified, is appended to this report. The tonnage of the country was in the aggregate 3,946,150 tons, showing a net increase over that at the close of the preceding fiscal year of only 201,831 tons.

Publications.—The monthly reports of this Bureau have, during the past year, been regularly published, and at the earliest date possible after the receipt of the returns. As they have been widely distributed, it is unnecessary to append to this report the statements which they contain relative to the trade of the country.

The publication of the annual report of Commerce and Navigation has usually been many months delayed, owing in part to the time required to correct, by correspondence with the distant custom-houses, the many erroneous returns, and the great labor necessary to compile the numerous statements, and in part to the pressure at this period of the year of other official work at the office of the Congressional Printer. Unusual efforts have, however, been made, and are making, to have the volume for the fiscal year 1870 "submitted to Congress in a printed form on the 1st of December," in accordance with the provisions of the act under which the Bureau was established.

In this connection, the undersigned calls attention to the increased fullness and accuracy of all the publications of the Bureau. While it has been his aim to make the published statements absolutely correct, it is gratifying to know that the improvement exhibited in the closer approach to accuracy has been recognized and acknowledged.

Difficulty of obtaining accurate statistics.—Considerable difficulty has been experienced in obtaining from collectors of customs full and accurate data relative to our foreign commerce; an experience which is not surprising, when we consider the vast extent of our seacoast, the number of small custom-houses, and the fact that the utility and aim of statistical inquiries are far from being generally appreciated or understood.

The *values* of articles which pay *ad valorem* duties, and the *quantities* of those which are charged with *specific* imposts, have been given with approximate accuracy. But to supply the Bureau with the true values of both *ad valorem*s and *specifics*, with the quantities, and above all with

the correct values of the articles exported, was a service which many custom-house officers not only in small or remote ports, but in some of our largest cities, regarded as alike unnecessary and impracticable. The task of insisting upon such returns, and of impressing the officers with a conviction of their importance for legislative and other statistical purposes, has been no light one. Although the result of the efforts made in this direction has not been all that could be desired, yet a decided and most encouraging improvement has taken place.

USEFULNESS OF THE BUREAU FOR LEGISLATIVE AND OTHER PURPOSES.

During the last session of Congress the services of the Bureau were called into requisition to an unusual extent, and its usefulness recognized by members of both Houses of the National Legislature.

While the periodical statements of the trade of the country given in the published monthly reports of the Bureau afforded reliable data for legislative purposes, those of a miscellaneous character have also furnished a variety of information of great value. The tariffs of foreign countries, translated and published in comparison with each other and with the rates of duty in the United States, the statements of the population, agriculture, commerce, manufacturing and mining industry, cost of labor and of subsistence, of the railways, telegraphs, postal facilities, &c., of the states of the Old World, as well as of our own trade with Canada, Mexico, South America, the West India Islands, &c., have from time to time been published, and in many instances at so early a date as to anticipate the demands of Congress and the public, and to prove of practical utility as a basis and guide to legislation.

CONSULAR REPORTS.

The reports of our ministers and consuls abroad are carefully examined, and such information as appears to be of value to the commercial community selected for and published in the monthly reports of the Bureau.

These consular reports frequently afford information of great practical value, not merely to the mercantile class of the community, but to the public at large. Although some of the foreign representatives of our Government obtain, and systematically furnish, early and valuable intelligence, yet, it is to be regretted that the custom of making such communications to the Treasury Department is not general, and that our consular body in this respect is behind those of the leading commercial nations of Europe.

While it is gratifying to be able to select for publication from the very complete reports made to the British Government by its enterprising representatives in other countries, it is a source of chagrin that our Government has not contributed its full quota of information of the character desired. Yet, the hope is indulged that at no distant day the commercial reports of our legations and consuls will regularly supply full and trustworthy information of the countries to which they are accredited.

INDUSTRIAL STATISTICS.

In the report of my immediate predecessor allusion was made to the fact that the act establishing the Bureau required the officer in charge "to collect, digest, and arrange for the use of Congress, statistics of the manufactures of the United States, their localities, sources of raw materials, markets, exchanges with the producing regions of the country,

transportation of products, wages, and such other conditions as are found to affect their prosperity." With the explanation, therein given by Mr. Walker, of the obstacles which prevented the accomplishment of the work above specified, obstacles which still continue, I fully concur.

As the publication of the census returns of the products of industry, giving in detail and with approximate accuracy most of the information indicated in the clause just quoted, may be expected during the ensuing year, it is deemed inexpedient to make extraordinary efforts to obtain at this time returns of like character, but which must necessarily be incomplete. As, however, the subject possesses great and increasing importance it should not be lost sight of, but in the succeeding years of this decade the earnest and persistent efforts of the Bureau should be directed to obtaining and publishing trustworthy information in regard to the extent and condition of our manufacturing industry.

In a new and sparsely settled country like ours the practical utility of the statistics of manufactures and mining is obvious. Taken at regular annual intervals, they would show the growth of these industries, and would also afford the means of testing and measuring the influence of the different circumstances and conditions in promoting or retarding such growth. The extent of each branch, the number of persons indirectly as well as directly supported by it, its relative condition as to locality, and its development in different sections of the country, its influence on agriculture and on commerce; these, and other facts, if periodically placed before legislators and the public, would not only afford data for an intelligent estimate of the value of each industry to the nation, but would indicate with tolerable clearness the measures required to furnish the conditions of general prosperity.

During the continuance of the excise tax upon manufactures, it was easy to deduce from the receipts of revenue the values of the various products—a source of information which has been cut off by the abolition of the tax. It is, however, worthy of inquiry whether returns similar to those formerly made by the assessors should not still be required for statistical purposes simply, and whether the machinery of the Internal Revenue Bureau, with its trained and intelligent officers, might not be advantageously employed in the accomplishment of the desired object. The labor thus imposed would, it is obvious, be much lighter than when the facts were required for purposes of taxation. As the true object of the inquiry would be known, and as annoying details might be dispensed with, the information desired could, in general, be obtained with great completeness and accuracy.

As compared with the other great interests, agriculture and commerce, manufacturing industry has not received that attention, from a statistical point of view, which its importance demanded. While agriculture has been deemed worthy of the creation of a special department to mark its progress and make known its condition, and while commerce has, from the earliest period, been made the subject of statistical record, employing now, besides others in the Treasury Department, the principal part of the force of this Bureau in obtaining, examining, and compiling statistics in relation to it, manufacturing industry, it is respectfully submitted, has not received that share of careful consideration to which it is justly entitled.

TRANSPORTATION.

One of the objects contemplated in the legislation previously referred to possesses great interest, viz., that relative to the transportation of

products, to attain which, extraordinary efforts should be made. It is particularly important that the movement of the crops toward the seaboard, and of merchandise to the interior, whether by rail or by canal, lake, and river, should be ascertained and made public. All the information as yet obtained on this subject relates to the movements of commerce on the northern lakes, and on the canals of the State of New York, together with such reports of transportation over railroads as their directors choose to publish. In the absence of compulsory legislation in this direction, earnest efforts will be made to obtain, from the officers of the great lines of railway, annual statements of the movement of produce and merchandise over those lines.

COST OF LABOR AND SUBSISTENCE.

The single word "wages" in the paragraph already quoted opens into a wide field of inquiry. The subject indicated has engaged the thoughtful consideration of the ablest statesmen and economists of the age, and is now occupying the attention of the more progressive governments of Europe. Impressed with its importance, and at the suggestion of the then Special Commissioner of the Revenue, the undersigned, about a year ago, prepared and transmitted to the proprietors or superintendents of mills and factories, and to the assessors of internal revenue, circulars, making inquiries as to the rates paid in different parts of the country, for factory, farm, and mechanical labor. To guide in forming an intelligent estimate of the purchasing power of wages in different localities inquiries were also instituted as to the cost of provisions, groceries, and other leading articles of consumption. From the replies obtained in response to these circulars received from every part of the country, tables have been compiled showing the rates of wages paid in the respective years 1861 and 1869: I, for factory; II, for mechanical; and III, for farm labor; also IV, giving the prices of leading articles of subsistence and domestic use, in each State and Territory, during the same years. These tables were printed at the instance of the Special Commissioner, and one thousand additional copies ordered by the Bureau for distribution. The great demand for this pamphlet—a demand beyond my ability to supply—indicates the almost universal interest felt on the subject. No less than five thousand copies were requested for distribution in England, by the American Emigration Agency in London, but owing to the limited number printed, only fifty were forwarded. In acknowledging the receipt the agent states that his efforts were directed to sending to the United States the best mechanics, artisans, small farmers, laborers, &c., among which class there is naturally a strong desire for accurate information as a preliminary to emigration. In view of the benefits which may confidently be expected from a diffusion of such statistics some action by our Government would seem to be necessary.

IMMIGRATION.

Intimately connected, as it is, with the foregoing subject, and of even wider importance, immigration demands thoughtful consideration. In a country like ours, possessing rich and undeveloped resources, rendered available by the progress of internal improvements, the advent of intelligent labor has, in general, been cordially welcomed. The value of this addition to our material wealth has never been more highly prized than during the last two decades. To the influx of skilled and common labor is due in no inconsiderable measure the unexampled development of the northwestern and Pacific States.

Since the termination of the war the fertile lands of the South, heretofore under a system of servile labor but partially cultivated, present extraordinary inducements for immigration. At the present time in the northwestern, southern, and Pacific States, there exists a demand for common, and, to a more limited extent, for skilled labor, never before equalled.

With a view of affording to the immigrant such trustworthy information in regard to the several States as would guide him in making an intelligent choice of a home, the undersigned prepared and forwarded to the assessors of internal revenue in all the States west and south of Pennsylvania the following circular :

I. Can land be purchased or rented in your district suitable for small farms on favorable terms ?

II. What is the price per acre of small improved farms ? State what proportion has been under cultivation, how much is fenced, and the kind of buildings ?

III. What is the price per acre of improved land, what proportion has been under cultivation, and how much, if any, is fenced ?

IV. What is the yearly rent for small improved farms ? If rented on shares, what share does the owner receive ? Does the latter provide stock, implements, or seeds ?

V. What are the chief articles of production, and what are the present prices of two or three of them ?

VI. What is the distance to a market town, a railroad station, or a steamboat landing ?

VII. What is generally the quality of land, and the kind of timber ?

VIII. What are the prices of ordinary farm-stock, sound and in good condition, viz: Working oxen, per pair; working horses, per pair; working mules, each; milch cows, each; sheep, each; hogs, each ?

IX. For what kind of labor is there a demand ?

X. What mills or factories, if any, are in operation or in progress, requiring skilled labor ?

XI. Are there in your vicinity any railroads or other public works in progress, requiring common labor ? If so, how far distant ?

XII. If any foreign-born workmen are employed in your district please give the preponderating nationality ?

XIII. Please state any advantages which your district can offer to laborers, mechanics, or small farmers ? Is there much land of good quality and well watered yet unoccupied ?

Replies to the above questions from the assistant assessors in nearly every part of the western, southern, and Pacific States, and the Territories, have been received, and the data classified and compiled, embodying an amount of information in regard to the advantages offered to immigrants, by each State and Territory, which, in fullness and accuracy, has not before been attained.

These compilations are now undergoing revision, and will, in connection with tables showing the cost of labor in the several States corrected to October, 1870, be submitted in a special report.

In conclusion, the undersigned takes pleasure in bearing testimony to the ability, industry, and efficiency of the officers, clerks, (both male and female,) and other employes of this Bureau.

I have the honor to be, very respectfully,

EDWARD YOUNG,
Chief of Bureau.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

REPORT OF SUPERINTENDENT OF THE UNITED STATES
COAST SURVEY.COAST SURVEY OFFICE,
Washington, September 30, 1870.

SIR: I have the honor to present an abstract of the field and office operations conducted during the present year with the means appropriated for the prosecution of the survey of the Atlantic, Gulf, and Pacific coasts of the United States. The field parties are yet engaged in their respective sites of work, but will be transferred to continue the survey of the southern sections of the coast when the season is somewhat further advanced. Final statements will then be due, together with the topographical and hydrographic sheets resulting from the work of the year. The following is a brief recapitulation of what will be given in detail in my report on the progress made during the surveying year which terminates at the end of October:

The work of the year has included the topography of the shores and the hydrography of Moose-a-bec Reach, on the coast of Maine; triangulation for the survey of Southwest Harbor, (Mount Desert Island;) extension of the hydrography at the entrance to Penobscot Bay; topography of the Fox Islands, of the vicinity of the Muscle Ridge Channel, and that of islands in Penobscot Bay, near Camden; plane-table work and soundings in the Kennebec River, near Gardiner; coast topography near Biddeford, Maine; the survey of Lake Champlain is now in progress, and soundings have been commenced in its waters; supplementary soundings have been made between Portland Harbor and Cape Ann, and in-shore soundings on the west side of Cape Cod Bay; the longitude of Duxbury, Massachusetts, has been determined relative to Brest, in France, by telegraphic operations through the French Atlantic cable; and topography done this year nearly completes the detailed survey of the shores of Narragansett Bay. The triangulation stations in the vicinity of New Haven Harbor have been examined; special observations have been made of tides and currents in New York Harbor, and the positions of buoys and sea-marks have been verified for the engraved charts. South of New York the operations include triangulation near Mount Holly; coast topography near Atlantic City; the main triangulation along the Blue Ridge south of Washington; shore-line survey and soundings of the estuaries on the east side of Chesapeake Bay, and of the outer coast of Virginia, north of Cape Charles, developing in that vicinity the Broadwater; triangulation of the James River; off-shore hydrography northward of Cape Hatteras; triangulation, topography, and hydrography in Pamlico Sound; hydrographic resurvey of the channels of Cape Fear River, North Carolina; examination of the station marks along the coast of South Carolina, north of Charleston; topography between Broad River and Savannah River, defining May River and Wright's River; extension of the primary triangulation of this section to Savannah, Georgia; topography of St. Andrew's Sound; hydrography abreast of Cumberland Island, Georgia; the sounding of North River and Matanzas River, northward and southward of St. Augustine Harbor, Florida; topography of keys in Chatham Bay, and soundings in their vicinity; hydrography of the Gulf of Mexico off the Marquesas, and of the quicksands between the Marquesas and the Tortugas; triangulation and shore-line survey of St. Andrew's Bay and its branches, including St. Andrew's Sound on the western side of Florida; soundings completing the hydrography of Lake Borgne, Louisiana; triangulation on the north side of Isle au Breton Sound, and triangulation

and topography, east and west from Fort St. Philip, of the banks of the Mississippi River.

The work now in progress on the western coast comprises the following operations: Determinations of the latitude, azimuth, and magnetic elements at three principal stations on the Santa Barbara Channel, coast of California, and difference of longitude between San Francisco and the light-house on Point Arena; coast topography between Santa Barbara and Point Concepcion, and between San Pedro and Point Duma; special examination of the tides and currents of San Francisco Bay; azimuth, triangulation, and topography in the vicinity of Point Arena; reconnaissance and topography of Humboldt Bay, and special examination of changes in shore-line at the mouth of Eel River; shore-line survey from Red Bluff to Eureka; azimuth near Crescent City, and topography north from Point St. George; plane-table survey of the north shore of the Columbia River, Oregon; completion of the topography of Port Discovery and Washington Harbor, and their connection with New Dun-geness Rock; plane-table survey of Blunt's Island and of the shore from Admiralty Head to Deception Pass.

The parties on the western coast are yet actively engaged in the field, and their final reports have not come in. My visit to San Francisco in July last afforded ample evidence of the excellent condition of the work on the western coast, considering the means allotted for its prosecution.

The operations of the Coast Survey Office, embracing the computation of observations, the drawing, engraving, and publication of maps and charts, have kept pace with the field-work; eight new charts have been published, and twenty-three others have been advanced by adding the additional results of the previous season's field-work. Eleven new charts have been commenced, and fifty-nine in all have been worked upon. Of the various engraved charts twelve thousand copies have been printed and ten thousand four hundred issued. Seventy-two manuscript maps have been copied or traced for various departments of the public service. Tide tables for the ports of the United States for 1871 have been computed and published, and a new edition, revised and illustrated, of *The Pilot for the Pacific Coast* has been issued.

Very respectfully yours,

BENJAMIN PEIRCE,

Superintendent United States Coast Survey.

HON. GEORGE S. BOUTWELL,

Secretary of the Treasury.

REPORT OF THE UNITED STATES LIGHT-HOUSE BOARD..

TREASURY DEPARTMENT,

Office Light-house Board, October 31, 1870.

SIR: By your direction, the following report of the operations of this board during the last year is respectfully submitted:

The detailed statements under the heads of the respective districts, based mainly upon the annual reports of the engineers and inspectors, embrace the work which has been done; that which has been laid out for the current year; and the present condition of all the aids to navigation, with such remarks and recommendations in regard to improvement of existing and the establishment of such new aids as seem to require the attention of Congress at this time.

The light-houses, and light-vessels, (so far as the exhibition of efficient lights is concerned,) are, it is believed, equal to any in the world, and those beacons and buoys actually in position are efficient day-marks to guide clear of the obstructions for which they were established. For those light-stations at which extensive repairs and renovations are needed, special appropriations are recommended. The annual estimates submitted for the fiscal year ending June 30, 1872, show a small aggregate increase over those of the last year, but not in excess of the aggregate increase in the number of new aids established and authorized to be established during the present year.

A large number of additional aids to navigation have been authorized, which have been established during the present or will be completed during the next fiscal year, which must be provided with keepers and supplies, &c. For the last two years the appropriations for the support of the light-house service have been considerably less than the detailed estimates submitted by the board, and for the current year the difference was \$99,104, to which add the sum of \$99,214, which reverted to the treasury under the operations of the fifth section of the act of July 12, 1870, making appropriations "for legislative, executive, &c., expenses of the Government for the year ending June 30, 1871," giving an aggregate sum (within a few dollars) of \$200,000, which is, so far as calculations could be relied upon, and independently of the thousand casualties arising out of freshets, storms, running ice, &c., to which this service is daily liable, a clear deficit of necessary funds, although not such in the legislative sense, inasmuch as no indebtedness has been, or will be, incurred for which ample funds have not been previously provided. With the balances of last year's appropriation, it was expected, as soon as the appropriations for the current fiscal year were made, to be able to provide a number of spare buoys to replace the many large and expensive ones which have been lost during the last two or three years; to repair vessels greatly needing attention at this time; and to put such light-stations as are suffering for want of repairs at this time in good order. To have used these supposed available balances before the passage of the appropriation, (July 15, 1870, for the ensuing year,) would have left the board without available means to meet any demand, however pressing and important, which might have been made in the interim, on account of accidents or storms. It has always been the custom of this office, in preparing the annual estimates for supporting the existing and authorized aids to navigation, to make as close a calculation of items, quantities, and prices, as the information at command would allow, and to endeavor to so manage the disbursements as at all times to have ample funds available to supply any losses and repair any damage, however serious, to which this service is so peculiarly liable during the winter months. The estimates for special objects are in many cases simply reappropriations of funds for authorized aids, which have reverted to the treasury under the act of July 12, 1870, and in others, for objects of sufficient importance to justify their being brought to the notice of Congress.

Over one million of dollars reverted to the treasury under the operation of the fifth and sixth sections of the act of July 12, 1870, on account of appropriations for *special objects*. Many of these sums were for light-houses on new sites, which had to be purchased, titles approved by the Attorney General, and cession of jurisdiction granted by the legislatures of the States in which they were to be placed, before the work could be commenced; others whose completion was delayed for want of time by the breaking out of epidemic diseases, or the inability to carry on work

during certain months of the year, on those parts of the coast where they were authorized to be established.

Light-house works of construction cannot be carried on safely and economically north of Chesapeake Bay during the winter months, nor can they be economically carried on, on the southern coast, during the months when epidemics almost always prevail, more or less severely. Besides these drawbacks and difficulties, these works, from their greatly exposed positions on the sea or lake coast, require not only to be built of the best and most durable materials that can be procured, but those materials ought not to be put together too hurriedly, and hence, as a rule, the large and expensive structures require a much longer time than one year to commence and complete them properly.

Under the act of March 3, 1795, all special appropriations for light-houses ran two years until July 25, 1848, when the following joint resolution was passed:

A JOINT RESOLUTION extending the time for the erection of certain light-houses.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That so much of the sixteenth section of the act approved March three, seventeen hundred and ninety-five, entitled "An act making further provision for the support of public credit and for the redemption of the public debt," as requires that sums remaining unexpended for two years after the year of appropriation shall be carried to the account of the surplus fund, shall not apply to the act approved March three, eighteen hundred and forty-seven, entitled "An act authorizing the erection of certain light-houses, and for other purposes," until two years after the first meeting of the legislature of those States in which said light-houses are to be located.

Approved July 25, 1848.

And a similar proviso has been attached to many subsequent appropriation bills, among which may be cited those of March 3, 1849, March 3, 1851, August 31, 1852, and March 3, 1853. It is respectfully submitted that a similar clause ought to be attached to future appropriations for light-house works, and made retroactive so far as to embrace those appropriations contained in the bill for light-houses approved July 15, 1870.

It not unfrequently happens, that appropriations are made in the absence of estimates from this board, or information as to the real requirements, and in such cases frequently a second appropriation is asked for before commencing the work. In cases of this sort, it appears that it will be necessary hereafter to add the words, in all cases of additional appropriation for any object, "*in addition to former appropriations or balances,*" to render the former ones available.

Last year an estimate was submitted for completing the light-house at Race Rock, Long Island Sound, of \$110,000, (for which \$90,000 had previously been made,) but concluding, from new developments at the locality, that so large a sum would not be needed for that work during the year, (and if at all, not for some time after,) the Committee on Appropriations was requested to reduce the estimate to \$10,000, which was done; but as the words "in addition to former appropriations" were omitted, the sum of \$90,000 (which amount only could be of any use economically during the working season in carrying on the works) was unavailable after June 30, and the appropriation of \$10,000, made July 15, 1870, only could be used, and the work was practically arrested for the year. Unless balances of appropriations are made available for continuing authorized works to completion, which cannot be safely and economically carried on during the summer season at the South and the winter season at the North, and allowed to be expended during the succeeding fiscal year, the efforts to complete works in too short a time may result in the introduction of bad materials, slovenly work, and higher prices

paid for both than a true economy and the interests of the public service would justify.

The following changes in the members of the board have been made since the date of the last annual report: Brevet Major General Richard Delafield, Brigadier general of engineers, and Brevet Brigadier General Hartman Bache, colonel of engineers, retired from the board, February, 21, 1870, and were succeeded by Brevet Major General A. A. Humphreys, Chief of Engineers, and Brevet Major General J. G. Barnard, colonel of engineers. Brevet Brigadier General O. M. Poe, major of engineers, was relieved April 12, 1870, by Major George H. Elliot, Corps of Engineers.

The board has to deplore the loss by death of two of the engineer officers of the Army in charge of light-house works, while in the midst of their arduous labors, during the past year. Brevet Major George Burroughs, Corps of Engineers, incharge of light-house works in the sixth district, died suddenly at Charleston, South Carolina, January 22, 1870, and Brevet Brigadier General C. B. Reese, major of engineers, in charge of light-house works in the eighth district, died of yellow fever at Mobile, Alabama, September 22, 1870.

While the board recognizes the great value of the services of both of these officers, who had a short time previous to their deaths entered upon light-house duties assigned to them by the War Department, it is especially due to the memory of the late General Reese to bear testimony to the great zeal, energy, and ability which he invariably displayed in the performance of his duties, and in his intercourse with this office.

* * * * *

All of which is very respectfully submitted.

W. B. SHUBRICK,
*Rear-Admiral United States Navy,
Chairman of Light-house Board.*

REPORT OF THE DIRECTOR OF THE MINT.

MINT OF THE UNITED STATES,
Philadelphia, October 24, 1870.

SIR: I have the honor to submit the following report of the operations of the Mint and branches for the fiscal year ending June 30, 1870:

DEPOSITS AND COINAGE.

The deposits of bullion at the Mint and branches during the fiscal year were as follows: Gold, \$29,485,268 45; silver, \$3,504,942 51. Total deposits, \$32,990,210 96. Deducting the redeposits, or bars made at one branch of the Mint and redeposited in another for coinage, the amount will be \$30,408,788 10.

The coinage for the same period was as follows: Gold coin, number of pieces, 1,156,087; value, \$22,257,312 50; unparted and fine gold bars, \$7,846,052 25; silver coin, pieces, 4,649,398; value, \$1,767,253 50; silver bars, \$902,800 66; nickel, copper, and bronze pieces, 18,154,000; value, \$611,445; total number of pieces struck, 23,961,292; total value of coinage, \$33,384,863 91.

The distribution of the bullion received and coined at the Mint and branches was as follows:

Philadelphia.—At Philadelphia, gold deposited, \$2,880,069 22; gold coined, \$2,830,752 50; fine gold bars, \$171,624 97; silver deposited and purchased, \$1,352,588 09; silver coined, \$1,152,960 50; silver bars, \$195,078 01; nickel, copper, and bronze coinage, value, \$611,445. Total deposits of gold and silver, \$4,232,657 31; total coinage, \$4,961,860 98; total number of pieces, 21,330,546.

San Francisco.—At the branch mint, San Francisco, the gold deposits were \$18,816,981 07; gold coined, \$19,316,050; silver deposited and purchased, \$494,418 11; silver coined, \$594,500. Total deposits and purchases, \$19,311,399 18; total coinage, \$19,910,550; total number of pieces, 2,592,180.

New York.—The assay office in New York received during the year, in gold bullion, \$6,657,891 94; in silver bullion, including purchases, \$1,613,364 46. Total value received, \$8,271,256 40. Number of fine gold bars stamped, 7,426; value, \$6,656,268 11; silver bars, 5,984; value, \$707,400 04; total value of gold and silver bars stamped, \$7,363,668 15.

Denver.—At the branch mint, now assay office, Denver, Colorado, the deposits for unparted bars were, gold, \$990,063 18; silver, \$15,987 08; total deposits, \$1,006,050 26. This statement exhibits a very gratifying increase in the deposits over those of last year, and we have every reason to anticipate a continuing increase in the deposits and business of this office. It is principally engaged in melting, assaying, and stamping gold and silver bullion, and returning the same to the depositors in unparted bars, bearing the Government stamp of weight and fineness. The experience of the past year fully justifies the declaration made in my last annual report, that "as an assay office it will meet all the demands of the miner, and promote as effectually the mining interests of the region as a mint for coinage could possibly do." All this it has accomplished promptly and satisfactorily, and greatly aided and encouraged the efforts made to discover and increase the production of the precious metals.

Charlotte.—The deposits at the branch mint, Charlotte, North Carolina, now in operation as an assay office, have not been large, but are increasing. These deposits are assayed, and returned to depositors in the form of unparted bars. The deposits for bars during the year were, gold, \$16,108 60; an increase of \$12,948 20 over those of last year.

Dahlonega and New Orleans.—The branch mints at Dahlonega, Georgia, and New Orleans, Louisiana, are still closed, and no necessity exists for their being again opened, either as assay offices or branch mints.

Carson City.—The branch mint at Carson City, Nevada, is now in operation. In May, 1869, the fitting up of this branch for business as a mint was commenced, and completed in December of that year. On the 8th of January, 1870, it was opened for the reception of bullion. The superintendent, in his report, says: "Since that time the business has been steadily increasing, and, with the facilities afforded other institutions of its kind, will do a large business, both in refining and coining." This branch mint, to make it efficient and successful, requires a bullion fund equal to the legitimate demands of business and the just expectations of its depositors. No such fund has, as yet, been provided for the institution. The urgent request of the superintendent for such fund was approved by the Director, and forwarded to the proper authorities for their consideration and action. It is desirable that the subject should be favorably considered, and the fund provided. "The delay," says the superintendent, in his report, "in giving the branch a sufficient amount of gold and silver to cash deposits so soon as their value

should be determined, has operated very injuriously, as well in regard to the amount of bullion received as in the expense of working it. Large lots of bullion can be worked with far less percentage of wastage than small ones, and the labor of re-melting and re-assaying has been much greater than if larger quantities could have been worked at once."

In reference to the future of this branch, and its influence in developing the mineral resources of the country, the report says: "The mining interests of the country, from whence the larger portions of bullion is received, are improving rapidly. New mines are being developed, and larger quantities of bullion produced as the cost of working the ore is becoming reduced." "With proper arrangement and facilities afforded this branch it will increase its business materially during the next fiscal year, and give much aid in developing the mining interests of this and adjoining States."

The deposits at this branch during the year were, gold, \$124,154 44; gold coined, \$110,576 05; silver deposits and purchases, \$28,262 16; silver coined, \$19,793. Total deposits and purchases, \$152,416 60; total coinage, \$130,369 05; total number of pieces, 38,566. The report is very encouraging, and it is earnestly desired that the present anticipations of its officers may be fully realized in the future prosperity of this branch. I cannot forbear repeating the declaration made in my last annual report, that the policy of the Government, in relation to the development of the mineral wealth of our country, should be liberal and generous.

Branch mint policy.—For my views on the subject of assay offices, and the impolicy of increasing the number of branch mints, I refer respectfully to my previous reports, in which they will be found fully and freely expressed.

The importance of the early completion of the new branch mint building at San Francisco cannot be too strongly urged upon the Government. Every consideration of public and private interest demands it. I have, in former reports, expressed my convictions of the importance of this work, and now earnestly repeat the recommendations then made.

REDEMPTION OF COPPER AND NICKEL COINS.

As authorized by law, the redemption of the nickel-copper cents was continued during the fiscal year, by exchange for the five-cent nickel coins. The amount thus redeemed was, in pounds, 68,237; value, \$66,872 26. The amount redeemed last year was \$101,465 25, showing a decrease of \$34,592 99, and being \$193,609 78 less than the amount redeemed during the fiscal year, ending June 30, 1868. The amount now outstanding is but little, if any, in excess of the actual demand. This is evident from the fact of the decreasing redemption, and that orders during the past year for the bronze one and two-cent pieces were largely in excess of the amount redeemed.

Should provision be made by law for the redemption of the one-cent and two-cent bronze coins? I have no hesitation in answering this question in the negative. No consideration of public interest or private convenience demands the redemption of those coins or the substitution of a nickel one-cent piece for the bronze coin of that denomination. Provision is already made for redeeming the five-cent nickel coins, and beyond this the redemption of the base coinage is not demanded or expected by the public. I respectfully refer you to my remarks on this subject in my last annual report.

Profits.—The net profits of the nickel-copper and bronze coinage paid

into the Treasury of the United States during the fiscal year were \$275,000. The demand for this small coinage has, from various causes, largely declined. The redemption and recall of the paper fractional currency would increase the demand. As required by law, the alloy of the minor coinage has been regularly assayed and reported by the assayer of the Mint, and the legal proportion of the constituent metals has been properly maintained.

SILVER-TOKEN COINAGE.

In my last annual report I urged the adoption of a silver currency "for change," in lieu of the postal or small note currency, as an important adjuvant to a general resumption of specie payments, and that such substitution would be acceptable to the people and fully approved by them. It is gratifying to know that the suggestions then made have had the approval of men well versed in political economy and of sound practical judgment. A number of our leading commercial newspapers have also emphatically endorsed the proposition. The recommendation made was, in substance, that, without waiting for the resumption of specie payments, Congress shall authorize the issue, at once, of silver coins of the denominations of 10, 25 and 50 cents; that while the weight of the proposed coins be reduced below that of the corresponding present silver coins, the standard fineness should be preserved; in other words, those coins to be of equal purity with the present silver coinage; that they be issued to a limited amount, adequate to supply the real wants of the community, in exchange for United States notes, including fractional currency, and be made a legal tender to a small amount, say five or ten dollars. Such substitution would be a real reform in our currency, and less objectionable in form and fact than the present paper issues of the lower fractions of the dollar. The objections to this proposed coinage will apply with equal force to the present fractional silver coinage; for this last, while of standard fineness, is both in weight and value below the true standard; and if the objections apply with equal force to our present silver coinage, how much more to our small notes, our paper change, the material of which has no intrinsic value whatever, and which is, and can be so easily counterfeited? The reduction in weight of these coins, while it would render them intrinsically worth less than the nominal value, would not make them unacceptable as "change," but would counteract any disposition to hoard or export them, and thus keep them in constant circulation. A supply of silver for the purpose of this coinage could be readily obtained. The product of silver in Nevada and Colorado will be sufficient to meet this demand, and could come direct to us from Denver, Carson, and Virginia cities without going to San Francisco, or passing through the hands of speculators. By reason of the profits of this coinage we could afford to pay a price sufficient to divert our silver product either from China or Europe. Other sources of supply would be open to us. In any contingency a full supply of silver could be procured. The coins would be issued in exchange for paper currency, and be redeemed in like manner; and when specie payments are resumed, or having returned to a permanent specie basis, we could recoin the amount redeemed and return it to the general specie circulation of the country.

Recoining of silver, when long used as a circulating medium, is a necessity; as it becomes deteriorated in value and defaced by abrasion when in constant use. Recoining, then, is no objection to the new coinage.

In the language of one who has given this subject much intelligent consideration, and whose published essays are full of information, "This is not a scheme for debasing the standard of value. Its only object is to restore silver upon such a basis, under legal sanctions, as will enable it to keep its subsidiary place, whether the chief currency be paper, as it is now, or gold, as we hope it will soon be. Limited in legal tender and in amount of issue, these silver coins will serve their purpose as well as if they were twice as heavy; in fact, will be found more convenient."

The following statement or table exhibits the weight, diameter, and value of the present and proposed silver coinage.

Present Coinage.

Denomination.	Weight.	Diameter.	Value.
	<i>Grains.</i>	<i>Millimeters.</i>	<i>Cents.</i>
Half dollar.....	192	30	50
Quarter dollar.....	96	23 $\frac{1}{4}$	25
Dime.....	38 $\frac{1}{10}$	17 $\frac{1}{4}$	10

Proposed Coinage.

Denomination.	Weight.	Diameter.	Value.
	<i>Grains.</i>	<i>Millimeters.</i>	<i>Cents.</i>
Half dollar.....	140	29	36 $\frac{1}{10}$
Quarter dollar.....	70	22 $\frac{1}{4}$	18 $\frac{1}{10}$
Dime.....	28	16	7 $\frac{1}{10}$ $\frac{5}{8}$

If the proposed reduction should be deemed too great, a weight of 168 grains for the half dollar, and other pieces in proportion, as already proposed in Congress, would enable us to coin silver so long as gold is not over 19 per cent. premium.

WORK OF THE MINT AND BRANCHES.

The mint work is necessarily hindered and restricted by the continued suspension of specie payments. We are doing less than was done many years ago, when there was a much smaller population and far less wealth. Certainly there is no need of creating any more coining establishments.

Emerging from a tremendous civil war, which shook every social interest to the very foundation, it is no wonder that our currency continues in an abnormal condition. Most of our people rarely get the sight of a gold or silver coin. They know, by the state of the money market, the relation between the precious metals and current paper notes, and they must be kept advised of this to understand what is the real value of those notes; but the gold, by which the measure is made, is almost as much out of sight as the sacred pound troy, or kilogram, carefully guarded as the final resort. But the people at large will never give up the idea that the real money is made of gold and silver; made of definite weight and fineness, and certified by Government stamp. They will use paper, and its use will increase; its imponderable property makes it a very great convenience. Still it is only paper; a little fire

or water destroys it; and if it does not bear a market relation to gold, it may be kept safe and yet will buy nothing. A cabinet minister of England has intimated that we might do without gold and silver money were it not that we must bend to popular prejudices. But in this matter the common sense of the masses is superior to the subtle arguments of statesmen and financiers.

Paper, guaranteed by Government, answers some of the ends of money, at least within the bounds of its Government; but gold, primarily, and silver as a subsidiary, *perfectly* answer all the requirements of currency. They would seem to have been so designed by an all-wise Creator in foresight of the needs of civilized society. Their adaptation is admirable. They are scarce and valuable; always in request for articles of ornament, or household use of the higher type; they pass through fire without loss, and are easily restored to the former condition; they are ductile and easily wrought; their quality or fineness can be quickly and most minutely ascertained; they are pleasant to the touch, and their color is distinctive, beautiful, and inimitable. In addition to all this, the superior metal, gold, has a weightiness or specific gravity which sets at naught the baser imitations; and both metals, if heavy to carry, are solid to keep. They may be said to last forever.

Very many coins, both gold and silver, struck centuries before the Christian era, continue almost as fresh and bright as when they first left the mint. This is not saying that they will not suffer by wear; but that in their own nature, and with ordinary care, they are indestructible. Such peculiar qualities do not belong to paper or any other substitute for money.

It really seems necessary to reproduce these well-known facts from time to time to counteract the danger of falling into the very error just quoted as coming from a British statesman. Indeed, a highly respectable journal, noted for its judicious money articles, has said that as our portemonnaies are now so well adapted to notes of all sizes, down to the lower fractions of a dollar, we might as well keep on with those bits of paper and dispense with silver.

Thus a mere paper fractional currency, got up to serve an exigency, is first endured, and finally embraced, even in rags. The retired writer, sitting at a desk, may persuade himself into such a notion; but those who are paying and receiving in shops and markets are heartily tired of handling and respecting as money what they would not handle and respect as anything else. These crumpled notes induce habits of prodigality and wastefulness. A man will spend a ragged quarter of a dollar where he would save a solid silver coin of the same denomination. These arguments are not so much felt by the favored few, especially in cities, who can commonly supply themselves with fresh and clean notes; but the case is different in the open country where people must take what they can get.

But the deficiency of mint work is not solely due to the continued suspension of specie payments. It happens in other countries where there is no such suspension. The Royal Mint of London, a gigantic institution, whose work diffuses itself throughout the world, often has its times of relaxation and leisure, because there are times when there is money enough. So we must expect similar alternations; and indeed we have them. Some years we have been overcrowded, other years we have had little to do. The same irregularities attach to many departments of business, however unwelcome they may be to those who like to be steadily employed.

Although at present the amount of work in the Mint and branches is

not so great as in former years, by reason of causes over which these institutions have no control, yet it is gratifying, on taking a review of their operations for the past ten or eleven years, to see how large and important these have been. The deposits and coinage at the mints in Philadelphia, San Francisco, and the assay office in New York, are worthy of special attention, and prove that these institutions have well fulfilled their respective duties.

The following tables made from official records of the value of the deposits in gold and silver from the fiscal year ending June 30, 1859, to 1869, inclusive, at Philadelphia, San Francisco, and New York; and of the coinage in value and number of pieces at the Philadelphia and San Francisco mints, will exhibit the nature and extent of the work done, and quietly and significantly tell their own story.

Table of deposits of gold and silver at the United States Mint, Philadelphia; branch mint, San Francisco; and assay office, New York, from 1859 to 1869, inclusive.

Years.	U. S. Mint, Philadelphia.	San Francisco.	New York.
1859	\$5,017,913 02	\$14,412,340 47	\$13,877,016 95
1860	5,022,524 34	11,800,053 58	7,266,629 95
1861	53,617,072 63	12,456,825 92	54,149,863 32
1862	28,142,616 73	16,885,737 10	26,188,863 87
1863	3,787,564 28	18,898,894 21	2,137,642 82
1864	3,225,982 96	19,332,118 50	1,876,377 04
1865	6,781,156 16	19,348,617 69	5,570,371 27
1866	10,690,575 45	18,346,920 49	9,748,678 00
1867	10,312,885 86	19,010,037 15	12,439,618 05
1868	4,385,684 36	15,693,426 18	6,724,190 39
1869	4,185,801 23	18,069,738 55	10,144,608 06
Total	135,169,777 02	184,254,709 84	150,123,861 72

Grand total of deposits..... \$469,548,348 58

Statement of coinage at the United States Mint, Philadelphia, and the San Francisco branch mint, from 1859 to 1869, inclusive, together with the number of pieces struck.

Years.	United States Mint.		San Francisco branch mint.	
	Coinage and fine bars.	No. of pieces.	Coinage and fine bars.	No. of pieces.
1859	\$5,976,887 67	44,883,111	\$14,234,241 55	1,463,893
1860	5,553,653 14	38,091,348	12,461,911 52	1,417,475
1861	49,666,130 13	21,315,255	12,690,485 61	1,144,300
1862	32,274,088 00	25,951,899	16,157,978 65	2,345,000
1863	4,184,497 37	49,108,402	18,551,598 68	2,872,173
1864	3,560,436 40	45,114,276	19,536,809 02	1,869,120
1865	8,016,197 40	85,548,735	19,144,875 58	1,775,116
1866	11,142,529 50	36,498,042	18,498,250 00	1,929,881
1867	12,309,091 24	56,952,110	19,005,048 54	2,351,000
1868	5,892,560 00	46,663,824	15,072,000 00	3,072,250
1869	5,114,671 03	34,660,168	19,056,000 00	2,096,500
Total	143,490,741 88	484,787,170	184,439,199 15	22,246,708

Memorandum of gold and silver bars made from 1859 to 1869, inclusive.

At Philadelphia Mint.....	\$1,457,615 39
At San Francisco.....	1,412,816 79
Total gold and silver bars.....	2,870,432 18
Philadelphia over San Francisco.....	44,798 60

Recapitulation.—Coinage and fine bars.

At San Francisco, 1859 to 1869.....	\$184,439,199 15
At Philadelphia, 1859 to 1869.....	143,490,741 88
Total.....	327,929,941 03
San Francisco over Philadelphia.....	40,948,457 27

Number of pieces, 1859 to 1869, inclusive.

At Philadelphia.....	484,787,170
At San Francisco.....	22,246,708
Total.....	507,033,878
Philadelphia over San Francisco.....	462,550,462

It will thus be seen that while the "coinage and fine bars" at the branch mint at San Francisco exceeded in value the "coinage and fine bars" at the Mint at Philadelphia, nearly \$41,000,000. The Mint in Philadelphia, in the number of pieces struck, exceeded the branch at San Francisco over *four hundred and sixty-two millions*.

Now, when it is known that a bronze coin of one cent in value requires nearly as much labor in its preparation and manufacture as a gold dollar or double eagle, the enormous amount of work and labor done at the parent Mint will be seen and appreciated. San Francisco with 22,246,708 pieces produced a coinage of \$184,439,199 15 in value; Philadelphia with 484,787,170 pieces produced a coinage of \$143,490,741 88 in value. If each piece struck at the parent Mint had been equal in value to each piece coined at the San Francisco branch, the coinage at the Philadelphia Mint during the period named would have largely exceeded in value the entire national debt.

Such results are alike creditable to both these minting institutions. The object of these comparisons is not to draw lines of preference among kindred institutions, but to show that each one has had its own work to do, and that where one is to be credited with large value, another is no less to be credited with the large aggregate number of pieces struck.

NEW FOREIGN COINS.

Since the last report, a few new foreign coins have come to the Mint.

1. The gold piece of ten francs, or one carolin, struck in Sweden, is understood to be intended as a contribution to the cause of international coinage upon the French basis. The standards are the same as the similar coin of France. The piece bears the effigy of the King of Sweden, with legends in Swedish, and is creditable as a work of art. But as it does not bear any facile relation to the regular currency of the realm, and is intended only for commercial use, it cannot be said to further the idea of unification. That is to say, there are still two kinds of money, one for home use and one for exportation, requiring some arithmetic to turn the one into the other.

2. The silver piece of 25 cents coined for Canada bears date 1870. It is of the British or sterling fineness, (925 thousandths,) and therefore not intended to be conformed to its sister denomination coined in this coun-

try. Nor is it quite of the same bullion value, since our piece contains 86.4 grains fine silver, and the Canada piece 83.25, a difference of nearly 4 per cent. Yet they will no doubt be at par in circulation.

The Canada pound, the former money of account, was rated as equal to four United States dollars, but for the last fifteen years, accounts have been kept there in dollars and cents. The United States silver half and quarter dollars have been their currency for many years. Until recently, payments, large and small, have been made in this coin. But the excessive accumulation of it, especially during our war, and the fact of its not being equal to gold in bullion value, has caused some discredit and depreciation and a large exportation of the coin to a bullion market. And now a new quarter dollar, just mentioned, has been provided; and along with it, strange to say, a quarter dollar in paper, much after the fashion of our own. It does not appear what is the object of having both a silver and a paper quarter dollar, to be used concurrently, unless it be that the latter is a temporary issue.

3. We note a very conspicuous change in the Mexican dollar; not in the standards, but in the devices. Artistically there is a great improvement. There are, as before, the eagle, and serpent, and cactus, with the legend, *Republica Mexicana*, and date; and, on the other side, the radiated cap of *Libertad*, reduced in size, and under it a scroll of "LEY," with a balance and sword; but the "8 R." (eight reales) is displaced, and the denomination is *Un Peso*, conformably to common usage. The fineness is no longer expressed in *dineros* and *granos*, but the equivalent in thousandths, 902.7. It is quite to be regretted that they did not make it precisely 900, the standard so largely adopted and likely to become universal. In point of fact the great mass of Mexican dollars, of all dates, do not average more than 901. These new pieces bear the dates 1869 and 1870, and the mint-mark of the city of Mexico. Whether the same devices will be used by the various provincial mints, does not appear. There are dollars of Chihuahua, of 1869, bearing the old stamp.

4. We have, also, a new Mexican gold piece, of *Veinten Pesos*, (twenty dollars,) dating 1870, of course intended to supersede the time-honored doubloon, and apparently a continuation of the twenty-dollar piece of the "*Imperio Mexicano*" of 1866. It is three grains heavier, however, than the coin of Maximilian; that is, it is 523 troy grains, or 1.09 ounce. It bears the usual legend, *Republica Mexicana*, the value, and the figures 875, expressive of fineness, equal to 21 carats, as formerly. At these rates it is equal to \$19 72 in our money, without mint charge. It is a very rare piece just now, but may become common in future years.

The gold pieces of Maximilian will forever be curiosities in cabinets of rare coins.

The new Mexican dollars, varying from 415 to 417 grains, may be said to maintain the usual average weight. New pieces of the old type are found to run as high as 905 thousandths in fineness. A coin so much used in commerce ought to be more steady.

Of the new series of Bolivian coins, only the dollar has yet appeared in this country; and it proves to be, as intended, on a par with the French piece of five francs in weight and fineness.

DEVICES ON COINS.

This might be a proper opportunity to say a few words in regard to the changing of devices on coins, about which there is a wide diversity of opinion.

As to the Mexican dollar, it is not exactly in the category of national coins. It is eminently international, and a special favorite in the Asiatic ports. There its well-known face, though somewhat rude, makes it instantly receivable. In a new dress, and with a contracted diameter, it may be an object of suspicion; and in that point of view it might have been better to have retained the old devices, just as in Austria they still coin a dollar for the Levant trade, bearing the head of Maria Theresa and the date 1780.

But the question remains, whether coins less cosmopolitan may be frequently changed in appearance. Those who are fond of making cabinet collections, and the lovers of art generally, are clamorous for new pictures. They would like the series of coins to be monuments of national history—sure witnesses of events—like the coins of ancient Rome. At least they demand that “heads and tails” shall not present their dull monotony for long decades of years, so that there is no mark of difference except the date. Our own coin is particularly liable to this objection. In other lands kings and emperors die or are displaced, and everybody is eager to get the new coin with the new head. But here it must be, under the law, a “figure emblematic of liberty,” which, indeed, allows some liberty of full length, or head and bust; but, after all, it is only an idea, or an abstraction, and, as past experience shows, very much a stereotype. And one reason for this practice is to be found not only in the rigid requirements of the law, but in the counter opinion, which considers that there ought to be no marked change except where there is a change of standards, this being the very proper way to introduce them. It is argued that a coin in a new dress always creates a necessity for explanation and induces some apprehension. The certificate which a government stamps upon its coin is a very sacred thing, much like the great seal of a state, whose fixedness indicates stability. So that while this numismatic party would not forbid occasional changes, and would always have them to indicate a new weight or fineness, they are very conservative in their adherence to old and well-known types.

These remarks are not made to preface an opinion on the question, but merely to show how the question stands, that others may judge for themselves.

MINERAL SPECIMENS.

A part of the almost daily business of our assay department is to examine and report upon mineral specimens sent or brought from all parts of the United States. This work is extra-official, but is cheerfully performed as a public benefit. In cases where a chemical trial is required, there is a moderate charge, which inures to the expense account of the mint.

It is to be regretted, however, that there is so little discernment among those who fancy they have made a discovery, inasmuch as we are constantly called upon to examine stones of the most ordinary character, of no greater value than for building or paving.

Our school teachers or country physicians might, and, as a general rule, perhaps they do, acquire enough of the principles of mineralogy and geology to be of real use to their unlettered neighbors in this respect, and save the expensive transmission of boxes of stone over long lines of travel. In some cases the wizard expert of the mineral rod, or the village blacksmith, has excited high hopes which it was our unpleasant duty to dissipate. In other cases Indian traditions have been confidently relied on, and we have been compelled to contradict the science or the legends of the aborigines.

A moderate knowledge of geological impossibilities would quiet any apprehensions of silver or gold, save in infinitesimal proportions, in many a large expanse of our country. Happily we have other kinds of riches buried in the soil everywhere, of which we may be as proud, and with which we may be as well satisfied, as with our unequaled mines and domains of precious metals.

Table of foreign coins.—The statement of the weight, fineness, and value of foreign coins, required by law to be made annually, will be found appended to this report. The additions made to our annual tables have been noticed in this report.

Medal department.—This department has been successfully operated during the past year. A large number of medals have been made and sold.

The Mint cabinet.—The cabinet of coins and medals still continues to attract a large number of visitors from every State in the Union, and from foreign countries. It deserves the fostering care of the Government.

Statistical tables.—The statistics relating to the deposits of bullion and coinage at the Mint of the United States and branches will be found in the tabular statements hereto annexed.

Since the publication of the last annual report, inaccuracies were discovered in the statistical tables for a year or two previous, that made some of the later exhibits practically unreliable. All the tables have since been carefully collated and compared for several years past, and as now presented are believed to be correct and trustworthy.

Very respectfully, your obedient servant,

JAMES POLLOCK,
Director of the Mint.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury, Washington, D. C.

W.—Gold coins of different countries.

Country.	Denominations.	Weight.	Fineness.	Value.	Value after deduction.
		<i>Oz. dec.</i>	<i>Thous.</i>		
Australia.....	Pound of 1853.....	0.281	916.5	\$5 32.4	\$5 29.7
Do.....	Sovereign of 1855-'60.....	0.256.5	916	4 85.7	4 83.3
Austria.....	Ducat.....	0.112	966	2 28.3	2 27
Do.....	Sovereign.....	0.363	900	6 75.4	6 72
Do.....	New Union coin, (assumed).....	0.357	900	6 64.2	6 60.9
Belgium.....	Twenty-five francs.....	0.254	899	4 72	4 69.8
Bolivia.....	Doubloon.....	0.867	870	15 59.3	15 51.5
Brazil.....	Twenty milreis.....	0.575	917.5	10 90.6	10 85.1
Central America.....	Two escudos.....	0.209	853.5	3 68.8	3 66.9
Do.....	Four reals.....	0.027	875	48.8	48.6
Chili.....	Old doubloon.....	0.867	870	15 59.3	15 51.5
Do.....	Ten pesos.....	0.492	900	9 15.4	9 10.8
Denmark.....	Ten thaler.....	0.427	895	7 90	7 86.1
Ecuador.....	Four escudos.....	0.433	844	7 55.5	7 51.7
England.....	Pound or sovereign, new.....	0.256.7	916.5	4 86.3	4 83.9
Do.....	Pound or sovereign, average.....	0.256.2	916	4 85.1	4 82.7
France.....	Twenty francs, new.....	0.207.5	899	3 85.8	3 83.9
Do.....	Twenty francs, average.....	0.207	899	3 84.7	3 82.8
Germany, North.....	Ten thaler.....	0.427	895	7 90	7 86.1
Do.....	Ten thaler, Prussian.....	0.427	903	7 97.1	7 93.1
Do.....	Krone, (crown).....	0.357	900	6 64.2	6 69.9
Germany, South.....	Ducat.....	0.112	996	2 28.2	2 27.1
Greece.....	Twenty drachms.....	0.185	900	3 44.2	3 42.5
Hindustan.....	Mohur.....	0.374	916	7 08.2	7 04.6
Italy.....	Twenty lire.....	0.207	898	3 84.3	3 82.3
Japan.....	Old cobang.....	0.362	568	4 44	4 41.8
Do.....	Old cobang.....	0.289	572	3 57.6	3 55.8
Mexico.....	Doubloon, average.....	0.867.5	866	15 53	15 45.2
Do.....	Doubloon, new.....	0.867.5	870.5	15 61.1	15 53.3
Do.....	Twenty pesos, (Max).....	0.086	875	19 64.3	19 54.5
Do.....	Twenty pesos, (Repub).....	1.090	875	19 72	19 62.1
Naples.....	Six ducati, new.....	1.245	996	5 04.4	5 01.9
Netherlands.....	Ten guilders.....	0.215	899	3 99.7	3 97.6
New Granada.....	Old doubloon, Bogota.....	0.868	870	15 61.1	15 53.3
Do.....	Old doubloon, Popayan.....	0.867	858	15 37.8	15 30.1
Do.....	Ten pesos.....	0.525	891.5	9 67.5	9 62.7
Peru.....	Old doubloon.....	0.867	868	15 53.7	15 47.9
Do.....	Twenty soles.....	1.055	898	19 21.3	19 11.7
Portugal.....	Gold crown.....	0.308	912	5 80.7	5 77.8
Prussia.....	New crown, (assumed).....	0.357	900	6 64.2	6 60.9
Rome.....	Two and a half scudi, new.....	0.140	900	2 60.5	2 58.2
Russia.....	Five roubles.....	0.210	916	3 97.6	3 95.7
Spain.....	One hundred reals.....	0.268	896	4 06.4	4 03.9
Do.....	Eighty reals.....	0.215	869.5	3 86.4	3 84.5
Sweden.....	Ducat.....	0.111	875	2 83.7	1 22.6
Do.....	Carolus, 10 francs.....	0.104	900	1 83.5	1 81.5
Tunis.....	Twenty-five piastres.....	0.161	900	2 99.5	2 98.1
Turkey.....	One hundred piastres.....	0.231	915	4 36.9	4 34.8
Tucumany.....	Seguin.....	0.112	999	2 31.3	2 30.1

Weight and value of United States gold coins.

Denominations.	Weight.	Fineness.	Value.	Weight in grains.
	<i>Oz. dec.</i>	<i>Thous.</i>		
Dollar, legal.....	0.053.75	900	\$1 00	25.8
Quarter eagle.....	0.134.37	900	2 50	64.5
Three dollar.....	0.161.25	900	3 00	77.4
Half eagle.....	0.268.75	900	5 00	129
Eagle.....	0.537.5	900	10 00	258
Double eagle.....	1.075	900	20 00	516

X.—Silver coins of different countries.

Country.	Denominations.	Weight.	Fineness.	Value.
		<i>Oz. dec.</i>	<i>Thous.</i>	
Austria.....	Old rix dollar.....	0.902	833	\$1 02 3
Do.....	Old scudo.....	0.836	902	1 02 6
Do.....	Florin before 1858.....	0.451	833	51 1
Do.....	New florin.....	0.397	900	48 6
Do.....	New Union dollar.....	0.596	900	73 1
Do.....	Maria Theresa dollar 1780.....	0.895	838	102 1
Belgium.....	Five francs.....	0.503	897	96
Bolivia.....	New dollar.....	0.501	900	26 1
Brazil.....	Double milreis.....	0.220	918 5	1 02 5
Canada.....	Twenty cents.....	0.150	925	14 9
Do.....	Twenty-five cents.....	0.187 5	925	22 6
Central America.....	Dollar.....	0.866	850	1 00 2
Chili.....	Old dollar.....	0.764	908	1 04 2
Do.....	New dollar.....	3.801	900 5	26 2
China.....	Dollar (English) assumed.....	0.866	901	1 04 2
Do.....	Ten cents.....	0.087	901	10 6
Denmark.....	Two rigsdaler.....	0.927	877	1 10 7
England.....	Shilling, new.....	0.182 5	924 5	23
Do.....	Shilling, average.....	0.178	925	22 4
France.....	Five francs, average.....	0.800	900	96
Do.....	Two francs.....	0.320	835	38 4
Germany, North.....	Thaler before 1857.....	0.712	750	72 7
Do.....	New thaler.....	0.595	900	72 9
Germany, South.....	Florin before 1857.....	0.340	900	41 7
Do.....	New florin, (assumed).....	0.340	900	41 7
Greece.....	Five drachms.....	0.719	900	69 1
Hindustan.....	Rupce.....	0.374	916	46 6
Japan.....	Itzebu.....	0.279	891	37 6
Do.....	New itzebu.....	0.279	890	33 8
Mexico.....	Dollar, new.....	0.867 5	903	1 04 6
Do.....	Dollar, average.....	0.866	901	1 04 2
Do.....	Peso of Maximilian.....	0.861	902 5	1 05 5
Naples.....	Scudo.....	0.844	830	95 3
Netherlands.....	Two and a half guilders.....	0.804	944	1 02 3
Norway.....	Specie daler.....	0.927	877	1 10 7
New Granada.....	Dollar of 1857.....	0.803	896	96
Peru.....	Old dollar.....	0.866	901	1 04 2
Do.....	Dollar of 1858.....	0.766	909	94 8
Do.....	Half dollar 1835 and 1838.....	0.433	650	32 3
Do.....	Sol.....	0.802	900	98 2
Prussia.....	Thaler before 1857.....	0.712	750	72 7
Do.....	New thaler.....	0.595	900	72 9
Rome.....	Scudo.....	0.804	900	1 05 0
Russia.....	Rouble.....	0.667	875	79 4
Sardinia.....	Five lire.....	0.800	900	96
Spain.....	New pistareen.....	0.166	899	20 3
Sweden.....	Rix dollar.....	0.092	750	1 11 5
Switzerland.....	Two francs.....	0.323	899	38 5
Tunis.....	Five piastres.....	0.511	898 5	62 5
Turkey.....	Twenty piastres.....	0.770	830	87
Tuscany.....	Florin.....	0.220	925	27 6

Weight and value of United States silver coins.

Denominations.	Weight.	Fineness.	Weight in grains.
Dollar, (legal).....	0.859.375	900	412 5
Half dollar.....	0.406	900	198
Quarter dollar.....	0.200	900	96
Dime.....	0.080	900	38 4
Half dime.....	0.040	900	19 2
Three cents.....	0.024	900	11 38

REPORT OF THE SECRETARY OF THE TREASURY. 241

Gold, silver, and copper coinage at the Mint of the United States in the several years from its establishment in 1792, including the coinage at the branch mints, and the assay office, New York, from their organization to June 30, 1870.

Years.	Gold.	Silver.	Copper.	Total.
1793-1795.....	\$71,485 00	\$370,683 80	\$11,373 00	\$453,541 80
1796.....	102,727 50	79,077 50	10,324 40	192,129 40
1797.....	103,423 50	13,591 45	9,510 34	125,524 29
1798.....	205,610 00	330,291 00	9,797 00	545,698 00
1799.....	213,285 00	323,515 00	9,106 68	645,906 68
1800.....	317,760 00	224,296 00	29,279 40	571,335 40
	1,014,290 00	1,448,454 75	79,390 82	2,534,135 57
1801.....	\$422,570 00	\$74,758 00	\$13,028 37	\$510,956 37
1802.....	423,310 00	54,343 00	34,422 83	516,075 83
1803.....	258,377 50	67,118 00	25,203 03	370,698 53
1804.....	258,642 50	100,340 50	12,844 94	371,827 94
1805.....	170,367 50	149,388 50	13,483 48	333,239 48
1806.....	324,505 00	471,319 00	5,260 00	801,084 00
1807.....	437,495 00	597,448 75	9,632 21	1,044,585 96
1808.....	284,685 00	684,300 00	13,090 00	982,075 00
1809.....	109,375 00	707,376 00	8,001 53	884,752 53
1810.....	501,435 00	638,773 50	15,660 00	1,155,868 50
	3,250,742 50	3,569,165 25	151,246 39	6,971,154 14
1811.....	\$497,905 00	\$608,340 00	\$2,495 95	\$1,108,740 95
1812.....	290,435 00	814,029 50	10,755 00	1,115,219 50
1813.....	477,140 00	620,951 50	4,180 00	1,102,271 50
1814.....	77,270 00	561,687 50	3,578 30	642,535 80
1815.....	3,175 00	17,308 00	.....	20,483 00
1816.....	.....	28,575 75	28,209 82	56,785 57
1817.....	.....	607,783 50	39,484 00	647,267 50
1818.....	242,940 00	1,070,454 50	31,670 00	1,345,064 50
1819.....	258,615 00	1,143,000 00	26,710 00	1,428,325 00
1820.....	1,319,030 00	501,630 70	44,075 50	1,864,736 20
	3,166,510 00	5,970,810 95	191,158 57	9,328,479 52
1821.....	\$180,325 00	\$225,762 45	\$3,890 00	\$1,018,977 45
1822.....	88,980 00	805,806 50	20,723 39	915,509 89
1823.....	72,425 00	895,550 00	.....	967,975 00
1824.....	93,900 00	1,752,477 00	12,620 00	1,858,997 00
1825.....	156,385 00	1,564,583 00	14,926 00	1,735,894 00
1826.....	92,945 00	2,002,090 00	16,344 25	2,110,679 25
1827.....	131,565 00	2,869,200 00	23,577 32	3,024,342 32
1828.....	140,145 00	1,575,600 00	25,636 24	1,741,381 24
1829.....	295,717 50	1,994,578 00	16,580 00	2,306,875 50
1830.....	643,105 00	2,495,400 00	17,115 00	3,155,620 00
	1,903,092 50	16,781,046 95	151,412 30	18,835,551 65
1831.....	\$714,270 00	\$3,175,600 00	\$33,603 60	\$3,923,473 60
1832.....	798,435 00	2,579,000 00	23,690 00	3,401,065 00
1833.....	978,550 00	2,759,000 00	28,160 00	3,765,710 00
1834.....	3,954,270 00	3,415,002 00	19,151 00	7,388,423 00
1835.....	2,186,175 00	3,443,003 00	39,489 00	5,668,667 00
1836.....	4,135,700 00	3,606,100 00	23,100 00	7,764,900 00
1837.....	1,748,305 00	2,096,010 00	55,583 00	3,299,898 00
1838.....	1,809,585 00	2,315,250 00	63,702 00	4,188,547 00
1839.....	1,375,760 00	2,096,636 00	31,286 61	3,503,682 61
1840.....	1,680,602 00	1,712,178 00	23,697 00	3,427,607 61
	18,791,862 00	27,109,779 00	342,322 21	46,333,963 21
1841.....	\$1,102,107 50	\$1,115,875 00	\$15,973 67	\$2,233,957 17
1842.....	1,833,170 50	2,325,750 00	23,633 90	4,182,554 40
1843.....	2,302,707 50	3,729,260 00	24,283 20	12,049,330 70
1844.....	5,420,220 00	2,930,550 00	23,977 52	7,687,757 51
1845.....	3,756,447 50	1,873,200 00	38,948 04	5,668,595 54
1846.....	4,034,176 57	2,558,580 00	41,208 00	6,633,965 50
1847.....	20,921,385 00	2,374,450 00	61,836 69	22,657,671 69
1848.....	3,775,519 50	2,040,050 00	64,157 99	5,679,727 49
1849.....	9,007,761 50	2,114,950 00	41,984 32	11,164,695 82
1850.....	31,981,738 50	1,866,100 00	44,467 50	33,392,306 00
	89,443,398 00	22,298,755 00	390,670 63	112,050,753 63

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Gold, silver, and copper coinage at the Mint of the United States, &c.—Continued.

Years.	Gold.	Silver.	Copper.	Total.
1851.....	\$62,614,492 50	\$774,397 00	\$99,635 43	\$63,488,524 93
1852.....	56,846,187 50	999,410 00	50,630 94	57,896,228 44
1853.....	55,213,906 94	9,077,571 00	67,059 78	64,358,537 72
1854.....	52,094,595 47	8,619,370 00	42,638 35	60,756,503 82
1855.....	52,795,457 90	3,501,245 00	16,030 79	56,312,733 69
1856.....	59,343,365 35	5,196,670 17	27,106 78	64,567,142 30
1857, (Jan. 1, June 30, inclusive)	25,183,138 68	1,601,644 46	63,510 46	26,848,293 60
1858, fiscal year.....	52,889,800 29	8,233,287 77	234,000 00	61,357,088 06
1859, fiscal year.....	30,409,853 70	6,833,621 47	307,000 00	37,550,475 17
1860, fiscal year.....	23,447,283 35	3,250,636 26	342,000 00	27,039,919 61
	470,838,180 96	48,087,763 13	1,949,612 53	520,875,556 62
1861.....	\$80,708,400 64	\$2,883,706 94	\$101,690 00	\$83,693,797 58
1862.....	61,676,576 55	3,231,081 51	116,000 00	65,023,658 06
1863.....	22,645,729 90	1,564,297 22	478,450 00	24,688,477 12
1864.....	23,998,749 31	850,086 99	463,800 00	25,312,636 30
1865.....	30,685,699 95	950,218 69	1,183,330 00	32,819,248 64
1866.....	37,429,430 46	1,596,646 58	646,570 00	39,672,647 04
1867.....	39,838,878 82	1,562,694 18	1,879,540 00	43,281,113 00
1868.....	24,141,245 06	1,592,988 48	1,713,385 00	27,447,618 54
1869.....	32,027,966 03	1,574,937 17	1,279,055 00	34,881,958 20
1870.....	30,103,364 75	2,670,054 16	611,445 00	33,384,863 91
	383,240,040 47	18,476,709 92	8,473,835 00	410,189,585 39

REPORT

OF

THE SECRETARY OF WAR.

WAR DEPARTMENT, *November 30, 1870.*

Mr. PRESIDENT: In order that the expenditures of the War Department for military purposes for the fiscal year ending June 30, 1870, may be clearly understood, and the extent of the demands made on the Department may be realized, a statement of the military force of the nation is necessary in the commencement of this report. The latest returns, submitted in the report of the General of the Army, show the regular Army to be composed of 2,488 officers and 34,870 enlisted men, 31,178 of whom compose the ten regiments of cavalry, the five regiments of artillery, and the twenty-five regiments of infantry, the remaining 3,692 being engineer troops, recruiting detachments, and others not enumerated among troops of the line. These men are stationed in forty-two States and Territories at two hundred and three organized military posts. The establishment of new posts as settlements advance is constantly rendered necessary, and the expense of providing temporary shelter in inclement regions of the country is unavoidably great. During the past year nearly one hundred and fifty buildings for barracks, hospitals, and store-houses have been ordered to be erected.

Scattered, as our posts are, over so large an extent of territory—all of them rendered necessary, and many of them in comparatively remote regions—the expenditures for transportation must continue great, although the reduction in this item alone in the past year was over \$1,000,000. While the distant locations of so many of them made an increase of expenditure in the erection of barracks and quarters, and the other requirements of new posts unavoidable, and the movement of troops from point to point, especially in the Southern States, has added largely to the disbursements for transportation, still an examination of the figures below given will exhibit the fact that, notwithstanding the causes mentioned as tending against economy, the expenses are rapidly being curtailed to a limit fixed by the demands of a reduced peace establishment.

There was appropriated for the military service for the fiscal year ending June 30, 1870.....	\$37, 538, 852 08
There was appropriated for the same purpose for the year ending June 30, 1871.....	\$30, 249, 148 97
The deficiency will be	1, 653, 200 00
	<hr/> 32, 902, 348 97
A reduction below the expenditures for the year 1869-'70 of.....	<hr/> 4, 636, 503 11

One million four hundred thousand dollars of the deficiency above indicated is occasioned by the fact that in the estimate made by this Department for the year ending June 30, 1871, no amounts were included for certain purposes, because of balances of old appropriations believed to be applicable to the payment of expenses for the current year, which balances were rendered unavailable by the act of July 12, 1870.

The total estimate of military appropriations for the year ending June 30, 1872, is \$29,383,998; a reduction below the expenditures of the previous year of \$3,518,350 97; and below the last appropriation, of \$865,150 97. Of this estimate for the next fiscal year the sum of \$1,062,725 is also necessitated by the prohibition of the use of unexpended balances of former years. These figures, therefore, present clearly and plainly the amounts demanded for the proper financial administration of the Department. The estimates of heads of bureaus have been carefully scrutinized, and notwithstanding the prohibition of ~~the~~ use of unexpended balances of former appropriations has deprived the Department of any fund to be used, as in former years, when in cases of emergency the amounts appropriated were insufficient for its purposes, still these estimates have been reduced on close calculation to the lowest sum required by the wants of the service, and a failure to appropriate the amount asked would result in great embarrassment to the public interests.

The estimates of the Chief of Engineers for fortifications, improvement of rivers and harbors, public buildings and grounds, and Washington Aqueduct, are submitted separately as presented by that officer :

Fortifications and other works of defense.....	\$3, 699, 200
River and harbor improvements	8, 842, 450
Public buildings and grounds, and Washington Aqueduct..	1, 108, 489
	<hr/>
	13, 650, 139
	<hr/>

Of these amounts no revision has been made by me, but they are submitted for the consideration of Congress and for such action as may be deemed advisable.

With an Army scattered over so large an extent of country, stationed in localities remote from a dense population, needing quarters whose erection is retarded by the want of those facilities offered in the more thickly settled portions of the country, and actually demanding very heavy expenditures for transportation and the other incidents of the service, it is difficult to rapidly enforce a reduction. Since the date of the last report it has been my endeavor to use every proper means to return from the loose customs and expenditures which crept into the service during the emergencies of our late war, to the more economical and thrifty system of former years.

The transportation of clerks by officers of the staff departments was prohibited, except on special order from the Department; cumbrous and lengthy returns of property, which during the war were made monthly, for obvious reasons, are now made quarterly, thus reducing the number of a vast army of clerks, the result of whose labors was only to encumber the desks of the Department at Washington with accounts which could not be examined, and of which a quarterly examination would answer all purposes. General officers were required to limit the number of their inspection tours, and were restricted to the selection of one officer to accompany them, instead of an entire staff. Surplus draught animals of the Quartermaster's Department, to the number of 6,345, were sold, producing \$248,134; useless depots were broken up, and a reduction of 1,085 in the number of civil employés was made, thereby effecting a saving in salaries of \$774,672 per annum. Experience shows that a further reduction, in both the number of employés and of draught animals, can be borne without detriment to the service, and will consequently be made. In the cities of New York and Brooklyn rents were being paid for buildings for Army uses at the rate of \$56,500 per annum. To lessen this expenditure, a large storehouse, at a moderate cost, has been erected on Governor's Island, New York Harbor, by which means the storage of property can be concentrated in the new building, and in one building in the city of New York, a saving in rents of the sum of \$31,500 annually. The above are a few of the plans which have been adopted looking toward economy and retrenchment, and with the best results. Further reductions in the number of buildings rented at high rates and changes in existing customs of the service as may appear to be necessary for the same purpose, are in contemplation, and will be made from time to time.

Since the commencement of the present fiscal year there has been realized from sales of surplus arms and ordnance to citizens of the United States the sum of \$5,600,000. More than 1,340,000 stands of arms of obsolete pattern, and unfit for issue, have been sold since the close of the war, and it is the intention to continue the sales as opportunity offers.

Recruiting for every arm of the service has been carried on throughout the year. Many of the rendezvous were closed in February 1870, owing to the nearly-exhausted state of the recruiting fund. Congress, however, having made a special appropriation of \$50,000 to defray expenses until the end of the fiscal year, recruiting was resumed under instructions issued on April 30. By the 1st of July, 1871, the Army will be brought down to the legal standard of 30,000 enlisted men, the number prescribed by the act of July 15, 1870, and in the mean time recruiting will be continued only on a scale rendered necessary by casualties.

On July 1, 1869, the number of officers in service was 2,746, increased

by the appointment during the year of 6 post chaplains and 58 graduates of West Point, making in all 2,810. The number of officers in service on November 16, 1870, was 2,481, a reduction of 329. On November 30, the number of supernumerary officers, or of those in excess of the standard prescribed by law, was 211.

By the act of July 15, 1870, providing for the reduction of the Army, the extent of the retired list was increased, authority was given to the President to discharge at his discretion, with one year's pay, officers who might apply therefor, and to transfer officers of the line to the list of supernumeraries; the Secretary of War was directed to constitute a board for the examination of the cases of officers reported by department commanders as unfit for the proper discharge of their duties; and it was also enacted that all supernumerary officers remaining after the 1st of January, 1871, should be honorably mustered out of the service, with one year's pay and allowances. Preparations for carrying out the provisions of that act are being made as rapidly as possible. The board referred to is now in session, having under consideration the cases which have been reported for its action, and reports have been received from the retiring boards, organized under the act. It will be the endeavor of the Department to exercise discretion and judgment in the recommendations it may make as to the discharge of supernumeraries, and, by the exercise of due regard for the military record and personal fitness of those recommended for transfer or retention, to avoid injustice, and by a fair examination of each case, to aid in a just and impartial enforcement of the law.

As many of the officers who will, of necessity, be mustered out by operation of law, have done faithful service in the field—some of them in the war of the rebellion, and some in the war with Mexico—I submit whether it would not be a wise as well as generous act in Congress, by legislation early in the coming session, to extend until July 1, 1871, the time in which the President may, at his discretion, discharge, with one year's pay and allowances, officers who may apply therefor, and, also, to direct that vacancies occurring prior to that date in the regiments of cavalry, artillery, and infantry might be filled by such supernumerary officers, with due regard to rank and fitness, those remaining supernumerary after July 1, 1871, to be mustered out with one year's pay.

I recommend the adoption of this course. It will go far toward preventing the injustice which it is so difficult to avoid, and will to a great extent dispense with the necessity for forcing from the service, with seeming ingratitude, many gallant men.

During the past year 58 cadets of the Military Academy have been graduated and appointed second lieutenants in the Army; 17 have been discharged for marked deficiency in conduct or studies; 6 have resigned, 1 has deserted, and 4 have died. New cadets to the number of 65 have

been admitted, and the corps at present numbers 228 members, divided, for purposes of study and scientific instruction, into four classes and organized for military instruction, duty, and discipline, into a battalion officered from among themselves.

Within the next four years some 200 educated officers can be supplied to the Army, equal in professional attainments to the requirements of any military organization upon officers of their grade. Gratifying reports of the welfare and progress of the Academy are presented both by the Inspector and the Board of Visitors.

Hopes are entertained that the increasing labors of the Corps of Engineers, in connection with the internal and foreign commerce of the country, and the necessity of employing civil engineers, will induce a repeal of the existing law prohibiting appointments and promotions in the corps, and thus restore to the cadets an incentive to exertion of which they have lately been deprived.

The estimates for increasing the supply of water, opening and repairing roads, improving the drill ground, and for the new office building, are particularly recommended.

A personal visit to West Point, in June last, afforded satisfactory evidence of the high state of discipline, and the comprehensive judgment which characterizes the management of the Academy. A thorough inspection disclosed some defects, and exhibited some matters of detail in which changes were desirable, but its well-earned character as a military school is fully sustained. The act of Congress passed at its last session placing the professors, in respect to retirement from active service, on the same footing as officers of the Army, is regarded as a just provision, giving those gentlemen whose lives have been spent in the daily performance of arduous duties an opportunity for rest with liberal pay, when the efficiency of the corps requires their retirement.

But little progress has been made by the railway companies in settling the debts contracted by them at the close of the war by the purchase of the material of the military railroads. The total debt remaining due and unpaid on June 30, 1870, was \$6,912,106 97, principally owing from southwestern companies. Their payments during the year amounted to the sum of \$365,820 45, but owing to the amount of interest, the entire reduction was only \$58,128 04. Action by Congress in their relief has been sought by some of the roads, while suits have in some cases been instituted against those defaulting.

In the matter of transportation, the Pacific Railroad has saved the Government much money, but, as before stated, with the opening to settlements of the wilder portions of the country, army posts are pushed further and further into the wilderness, and as the stations are extended the expenses of transportation are and will remain very great.

As the Quartermaster's Department depended on the balances of old appropriations, no appropriation for clothing and equipage was last year

asked. The act of Congress of July 12, 1870, destroyed this resource, and there are no means on hand for the purchase of tents and clothing. The stock of some of the essential articles is exhausted and purchases must be made. As to the purchase of horses for cavalry and artillery, the result was the same. The balances supposed to be available were cut off by the same law, and hence it is earnestly hoped that the additional appropriations asked for both these objects for the present fiscal year, as well as those for the next fiscal year, may be appropriated without deduction.

By the act of Congress of March 2, 1861, the sum of \$50,000 was appropriated for the construction of a new post in the valley of the Red River of the North, and \$5,000 for surveys to be made in connection therewith. During the year troops have been located at the point selected, and the construction of the post known as Fort Pembina proceeded with. The importance of this post is fully set forth in the report of General Hancock, which is presented herewith, and attention called to his recommendation that early measures be inaugurated, whereby our boundary may be authoritatively determined. In addition to this, several new posts have been commenced and extensive repairs at older stations been made, there being under the control of the Quartermaster's Department nearly 5,000 buildings of various kinds.

Under the decision of the Attorney General the current appropriations are not applicable to the settlement of claims for quartermaster's and other stores, under the law of July 4, 1864. As the law still remains in force requiring the Quartermaster and Commissary Generals to examine such claims, and, if just, report them to the Auditor for settlement, it may be deemed necessary to make an appropriation to meet them.

The records of the Department show the burial, in the national and other cemeteries, of 333,000 persons. In addition to those buried in the 73 national cemeteries, there are very many soldiers interred in private cemeteries, near hospitals in which they died. Measures are in rapid progress for carrying out the law which requires the cemeteries to be properly inclosed. Under the act of Congress close and useful inspections have been thoroughly made by a field officer of the Army, and many timely suggestions as to changes and improvements carried out. They are being decorated, in accordance with a law of the last Congress, with trees and shrubs, and, instead of being left unattended, are cared for with the consideration which the memory of the nation's dead demands. Full statements of the condition of these cemeteries accompany the report of the Quartermaster General.

During the year the Subsistence Department has been enabled, in an increased degree, to purchase supplies near the points where they are required for consumption by the troops, obtaining them at a much less expense for transportation. Increased agricultural and commercial progress in the States and Territories west of the Missouri River, and the

completion of the lines of railroad to Denver, have enabled the Department to obtain therein many of the supplies for those sections, and it is evident that the transportation now necessary from ocean to ocean will soon cease. During the year 1869-'70 large quantities of supplies were furnished for the Indian Department, for Indians on reservations on the Upper Missouri River and in the Indian Territory. The expenses thereby incurred, amounting to \$1,600,000, are to be refunded, and bills therefor are being prepared for presentation to the Indian Department.

The sums appropriated by Congress at its last session for the temporary relief of the poor and destitute in the District of Columbia were expended in the purchase of food, fuel, and clothing. These supplies were distributed only on the recommendation of the Washington Association for the Improvement of the Condition of the Poor, the National Freedmen's Relief Association, or the Industrial Home School, in such quantities as were necessary to prevent actual suffering. Efforts were made to induce those seeking aid to procure labor, and when secured at a distance they were rationed to their destination. In all cases the supplies were purchased from the lowest bidder, or at the cheapest market price.

The number of rations issued was 567,873, at a cost of \$20,308. Coal, wood, and coke were issued amounting to \$4,450 52, and clothing amounting to \$319 36. The total sum disbursed was \$25,077 88, leaving a balance of \$4,922 12 still on hand.

The number of commissioned medical officers for duty with the troops on June 30, 1870, was 147. There were 217 military posts besides many detachments, each requiring the services of a medical officer. Hence, contract surgeons were employed, the number of regular medical officers being inadequate. Economy would be subserved by filling the vacancies in the medical staff, and increased efficiency gained in this branch of the service. The employment of contract surgeons must continue should the existing law be unrepealed.

During the past year the Army has been paid with regularity and promptness. The present number of paymasters is 56, the number authorized by the law of July 28, 1866, is 60, but no vacancies can be filled. A necessity for the employment of a number seemingly out of proportion to the force to be paid is created by the existence of so many military posts and the distribution of regiments over so great an extent of country. While the reduction of the Army diminishes the number of men to be paid the number of stations continually increases and demands the constant service of those fit for duty to keep up the payments, and in this connection it may be remarked that this distribution of posts over vast breadths of country accounts for that preponderance of the staff corps in our Army which is observed on comparison with the armies of foreign powers.

Under the act of July 15, 1870, the officers of the Army are paid by sal-

aries instead of by allowances of various kinds. The system has been in operation but a few months, but that short experience shows the change to have been a wise one. The complications and calculations of the old system are avoided and the payments rendered simple, more prompt, and far more satisfactory.

It is believed that the monthly payment of troops, instead of bi-monthly, as at present, will be beneficial, and if found practicable, steps will be taken to secure this end.

Constructions upon the permanent defenses during the past fiscal year have been restricted to their repair and preservation. The Engineer Department has been actively engaged upon plans for the modification of the defenses to meet the requirements of the latest improvements in modern warfare. Many of the plans for the defense of our most important harbors have been approved by me, and the estimates submitted by the Chief of Engineers for carrying them out are presented for the consideration of Congress. Such appropriations as were made at the last session of Congress for the partial execution of similar plans for the harbors of Portland, Boston, New York, Philadelphia, and San Francisco are being applied to those defenses.

Upon the recommendation of the Chief of Engineers, three able and experienced officers of engineers were sent to Europe to examine into the manner and extent of the employment of iron in sea-coast defense. They have been received with great courtesy by all foreign officers, and every facility has been afforded them for making their examinations, and I am indebted to the honorable Secretary of State for the pains he has taken to insure the success of their mission.

The battalion of engineers stationed chiefly at Willett's Point, New York, has been made the torpedo school of the Army, and is engaged in investigations and experiments as to the best method of employing this auxiliary in harbor defense. The battalion is carefully instructed and maintained in an efficient state for field service. It assists in the instruction of practical engineering at the Military Academy, takes care of the bridge trains, equipage, and engineers' tools at engineer depots, makes military surveys, and has been occasionally called upon for infantry service in enforcing the revenue laws, which service has been done with efficiency.

The river and harbor surveys and works have been conducted with energy; satisfactory progress has been made, and active operations are going on, except at some points on the Gulf coast, where the prevalence of yellow fever has temporarily suspended field labor. The reports upon each of the surveys called for by the act of July 11 last, will be submitted as soon as received. The report of the Chief of Engineers exhibits in detail all necessary information upon the progress of these works.

Action has been taken as follows in connection with certain acts and resolutions passed at the last session of Congress: In accordance with

the act of February 2, 1870, an officer has been detailed to superintend the survey and examination of the Willamette River, Oregon, with a view to the location of the proposed bridge from Portland to the east bank of the river, but no report has yet been received. The question of the location and construction of a bridge across the Niagara River, from Buffalo to Canada, is still under consideration by a board of engineers, and more detailed and extended surveys are in progress. No plan and drawings of the bridge across the Arkansas River at Little Rock, with map showing its location, as required by the act of July 1, 1870, has yet been furnished by the Citizens' Bridge Company, and no action has, therefore, been taken by the Department in this matter. The Green Bay and Mississippi Canal Company not having filed a satisfactory agreement in writing to grant and convey to the United States the property and franchises mentioned in section 2 of the act of July 7, 1870, for the improvement of water communication between the Mississippi River and Lake Michigan by the Wisconsin and Fox Rivers, the amount appropriated by the act of July 15, 1870, \$100,000, for the improvement of the Wisconsin River, has not become available. The officer in charge of the improvement has been directed to submit a project for the application of the amount. The sum appropriated for widening and deepening the ship canal in the Patapsco River and Chesapeake Bay is now being applied to this improvement by dredging. The improvement in deepening the harbor or waters of the mouth of the Susquehanna River, for which a sum of \$12,000 was appropriated, is in progress under a contract to dredge the channel, which will probably be completed this season. The board of officers for the examination of all bridges now erected or in process of erection across the Ohio River was organized on the 18th of October, and is now in session at Cincinnati, Ohio. The question of the location of a pier in the Delaware Bay, at or near Lewes, Delaware, and the extent and material, whether stone or iron, to be used in its construction, is under consideration. It is expected that a report will soon be received as to the best manner of applying the amount appropriated for the structure. The survey of the Bayou Teche, provided by the joint resolution of May 5, 1870, was made, and the result submitted to Congress at its last session. An appropriation of \$17,500 was subsequently made for the improvement of this bayou, and a contract entered into for its execution, but the work has been delayed by the prevalence of yellow fever in that region.

In the survey of the lakes operations were chiefly carried on in Lake Superior, extending to Lake Michigan and other necessary points, and embracing, toward the close of the season, parts of Lake Champlain. Such of the results of the surveys as are of special value for purposes of navigation are made known at once by the publication of preliminary charts, preparation of more elaborate maps following. The survey of the lakes is a work of great utility, and the estimates for this object commend themselves to attention. The surveys and reconnaissances required in

tion thereto, has been carried out by having the location and the facts concerning the claims referred to examined by a board of officers, who made a report recommending a settlement, which settlement was concurred in by myself and accepted by the claimants.

The annual report of the General of the Army, with accompanying reports of the commanders of military divisions and departments, is submitted herewith, and attention is invited to his various recommendations.

Since my last report no changes have been made in commanders of the military divisions, excepting in that of the Pacific, caused by the death of Major General George H. Thomas, which occurred in May last. In his decease the Army has sustained a severe loss. He was a soldier of solid attainments, of honorable action, of few words, but of many heroic deeds. His life is a part of the history of the Army. The military division of the Pacific is now commanded by Major General John M. Schofield.

The operations of the Army during the year have been chiefly confined to the assistance of the civil authorities in carrying out the laws, and in the suppression of Indian depredations. I would again ask consideration to the matter of incursions of Indians from the south side of the Rio Grande, which seems to constitute a systematic business, only to be broken up by coöperation on the part of the Mexican authorities. Pursuit by our troops stops at the border, while our citizens can pass into Mexico and witness the sale of their animals recently stolen.

A system of general regulations for the administration of the affairs of the Army, as prescribed by section 20 of the act of July 15, 1870, is being prepared, and will be presented to Congress at its coming session. It is a work which requires much labor and studious care, but it is hoped that it may be submitted in time for full consideration by Congress.

The slow, tedious, and cumbersome system of clerical administration in the various bureaus of the Department retarded business to such an extent that, for the purpose of devising some plan which would expedite its transaction, a board was organized, composed of two officers of the staff corps and a civilian clerk, for an examination of the subject. They gave the matter thorough and exhaustive attention, which resulted in the report of a plan which has been approved and which will go into operation on January 1, 1871. It is confidently believed that the result will be satisfactory, hastening forward the work of the different bureaus, doing away with the necessity for increased clerical force, and giving satisfaction to that large number of persons who have business with the Department, which will be hastened to conclusion by a change which is radical, and which the interest of all connected with this branch of the public service has so long demanded. In connection with this subject, it is here stated that during the month of September many changes were made in reductions and removals in the clerical force, which have resulted in increased efficiency.

The different bureaus of the War Department, now scattered in many localities in Washington, at a distance from each other, should be concentrated in one building. At the last session of Congress measures looking to this end were presented and discussed, but failed of enactment. Records of incalculable value to the Government, exposed to fire in buildings easily destroyed, are in constant danger, and cannot be stored away on account of the necessity for their daily use in the current business of the Department. The loss of the records of any one of these bureaus from this cause would be a great calamity, and their preservation thus far may be considered providential. By the distance which separates these buildings from each other great delay is caused to public business, and great inconvenience to those interests which require prompt attention. The present system of hiring separate offices is an expensive one, as a yearly rental of over \$50,000 is paid for those used, that known as the War Department, or northwest executive building, accommodating but one bureau of the Department beside the immediate offices of the Secretary and the General of the Army. *Nine* of the bureaus are located elsewhere.

By joint resolution of Congress of July 27, 1866, the Secretary of War was required to appoint a competent person to arrange and prepare for publication the official documents relating to the rebellion, and the operations of the Army during the war, and to submit a plan of said publication and estimates of cost to Congress at its then next session; the person so appointed to receive a compensation of \$2,500 per annum for two years. In accordance therewith an appointment for the purpose indicated was made by Hon. E. M. Stanton, Secretary of War, but no acceptance was filed and no further action taken. The proviso that payment should cease in two years after the passage of the act, renders an appointment under that legislation impracticable. It is earnestly asked that Congress, at its next session, will revive this legislation and authorize the Secretary of War to make the appointment. It is very desirable that action of this kind be taken without delay. The reasons suggesting the great value of this national work need not be stated, for, without argument, they commend themselves to the consideration of every citizen.

WM. W. BELKNAP,
Secretary of War.

PAPERS

ACCOMPANYING

REPORT OF THE SECRETARY OF WAR.

REPORT OF THE GENERAL OF THE ARMY.

HEADQUARTERS OF THE ARMY,
Washington, D. C., November 10, 1870.

GENERAL: Since my annual report of November 20, 1869, several changes have occurred in the distribution of the Army, incident to the restoration of the States of Virginia, Mississippi, and Texas, and to the gradual reduction of the force.

The geographical territory of the United States is now divided into ten departments, and these are grouped into four military divisions.

The Military Division of the East is commanded by Major General G. G. Meade, and is composed of the Department of the East, Brigadier General I. McDowell; and the Department of the Lakes, Brigadier General P. St. George Cooke.

The Military Division of the South is commanded by Major General H. W. Halleck, and is composed of the Department of the South, Brigadier General A. H. Terry; and the Department of Texas, Colonel J. J. Reynolds.

The Military Division of the Missouri is commanded by Lieutenant General P. H. Sheridan, and is composed of the Department of Dakota, Major General W. S. Hancock; Department of the Platte, Brigadier General C. C. Augur; and the Department of the Missouri, Brigadier General John Pope.

The Military Division of the Pacific is commanded by Major General John M. Schofield, and is composed of the Department of the Columbia, Brigadier General E. R. S. Canby; the department of California, Brigadier General E. O. C. Ord; and the Department of Arizona, Colonel George Stoneman.

This subdivision of the country is found to be well adapted to the use of our military forces in the diversified sections and interests committed to their charge, and the general officers in command are all well qualified for their respective duties. I inclose herewith the annual reports of all these commanders, except of General Sheridan, who is absent in Europe, and of Colonel Stoneman, who is in that remote Territory, Arizona, with which our communication is difficult, and his report is not yet received, but will be submitted as soon as possible. To these reports I must refer you for the actual distribution of the troops and the details of the year's work.

According to the latest returns, the Regular Army is composed of 2,488 officers and 34,870 enlisted men. Under the operation of the act approved July 15, 1870, the number of officers is being rapidly reduced, so that by the 1st of January proximo, it will reach the legal standard of 2,277.

Of "enlisted men" the present number is made up as follows:

Ten regiments of cavalry	9, 892
Five regiments of artillery	4, 300
Twenty-five regiments of infantry	16, 986
Total troops of the line.....	31, 178
In addition to which are—	
Five companies of engineer troops	560
Permanent recruiting parties and recruits.....	1, 629
Enlisted men of ordnance.....	706
West Point detachment	261
Signal detachment	82
Hospital stewards.....	333
Ordnance sergeants	121
	3, 692
Grand total.....	34, 870

By the same act this number must be reduced by the 1st of July, 1871, to the limit of 30,000.

As a matter of course I desire that the reduction should fall as lightly as possible on the troops of the line, for if the companies of cavalry and infantry which occupy the remote posts are too small, department commanders will be forced to break up many of the smaller posts, and to use two companies where one now suffices. If the non-combatant class be kept to the present standard of 3,692 men, there will be left for the line only 26,308, which, divided up among the 430 companies which compose the present organization, will allow but 60 men to a company. The universal experience is that the constant loss by death, discharge, desertion, &c., especially in the more remote and most dangerous districts, will reduce the actual number present for duty to about two-thirds of the prescribed limit, or will bring the companies down to about 40 men, which is too small for efficient service.

I believe that, on a fair representation, Congress will make direct provision for the engineers, ordnance, signal detachment, and hospital stewards. This would leave the limit of 30,000 to apply only to the troops of the line, and their necessary recruiting parties.

In the examination of the reports herewith, I invite your attention to that recommendation of General Halleck which refers to the use of troops in assisting the civil authorities in maintaining peace, collecting the revenues, &c., which has become so common of late. The duties of the soldiery in this connection are not prescribed by statute so clear that the officers can understand their rights and duties, and the civil agents and authorities often expect more than can be rightly or lawfully done. I think the soldiers ought not to be expected to make individual arrests, or to do any act of violence except in their organized capacity as a *posse comitatus*, duly summoned by the United States marshal, and acting in his personal presence; yet, if it is deemed lawful and proper that the soldiers should do more than this, I concur with General Halleck that Congress should so enact in clear, distinct terms.

During the past year the department commanders have given great attention to the instruction and discipline of their troops, and, as our force becomes less and less, I deem it important that they should receive every encouragement, for we know that from the regular Army the volunteers, when called into active service, expect to learn the rou-

tine of service. In this connection Colonel J. J. Reynolds, in Texas, objects with good reason that he is forced to use his men a great part of their time as laborers on public buildings, roads, and other work which disqualifies them as soldiers, besides preventing them from scouting the frontier as much as would otherwise be the case. As a matter of course, soldiers must labor in taking care of themselves and of their necessary supplies, but to build permanent works or roads in which they have but a partial interest, is a kind of labor that ought not to be imposed on our reduced establishment. I would advise the Secretary of War to prescribe some plain rule, drawing a clear distinction between these two kinds of labor, and to publish it to the Army in orders or regulations, so that it would enter into the contract of enlistment, and soldiers would not, as they frequently do, plead this cause in justification of desertion.

During the past year the troops have been well supplied in all respects, and have been paid regularly every two months. General Augur's recommendation that the troops be paid at shorter intervals is worthy of every consideration, for it is known that pay day coming so seldom is apt to be considered a sort of holiday, and not unfrequently results in disorders such as recently occurred at Provo, which reflect upon the usual good fame of the Army.

The board of officers assembled at St. Louis, Missouri, by virtue of General Orders Nos. 60 and 72, of 1869, has reported that their labors have been substantially concluded, and although not yet in possession of the text, I desire to express my opinion of the importance of their work. This board, composed of officers of great experience, was required to report on the best small-arms and equipments for the Army, and also to prepare a system of tactics for all arms of service. Their conclusion on the first branch of the subject has heretofore been laid before the Secretary of War, who has ordered a supply of the arms recommended by the board to be distributed to the Army for further practical tests. But I observe that the Chief of Ordnance, in his annual report, advises that another 50,000 of the Springfield musket should be altered according to the ordnance pattern, the one now in general use by our infantry. This would imply a selection of that form of musket before the practical tests already in progress are completed. The recommendation of the board was strongly in favor of the Remington system, and I concur with it entirely, and therefore suggest to the Secretary that he await the result of the tests he has already ordered before incurring the expense of alteration of the second 50,000. All officers agree that the present musket is an admirable weapon, but the breech block is not suited to a carbine and entirely out of the question for the pistol, whereas the Remington system is equally suited to all, so that we could have identically the same caliber and cartridge for all arms, a matter of infinite importance in action, and especially so for our troops, who are often detached from their own baggage for months, and come in for a re-supply of ammunition at posts where they often find no cartridges suited to their special weapon. The Remington is already adopted by the Navy, and this is an additional good reason for its adoption in the Army, for, in combined operations, both arms and ammunition could be mutually interchanged.

Prior to our civil war we naturally looked for a system of tactics to the experience of European armies, and, as actually occurred, we had the infantry tactics of one nation, cavalry of another, and artillery of a mixed sort, so that there was no just harmony between them. There is no good reason why the same general rules of command and signals should not be uniform for all arms of service, and this board has proceeded on

this theory. Until the text is received, properly corrected and ready for the printer, I shall forbear any comments further than to say the time is most opportune for the adoption of an improved system of tactics for all arms of the service; and before any steps are taken for their adoption, I recommend that some compensation be given to General Upton for the use that may have been made of his system of infantry tactics that has been heretofore adopted and used by the infantry.

In conclusion I would merely renew a former recommendation, that reasonable annual appropriations be asked for barracks, both to replace the unhealthy casemates of our sea-coast forts, and to shelter from the weather the men whom the national necessities force us to station in the dreary and inhospitable regions of the interior of the continent.

I am, with great respect, your obedient servant,

W. T. SHERMAN,
General.

General W. W. BELKNAP,
Secretary of War.

REPORT OF GENERAL JOHN POPE.

HEADQUARTERS DEPARTMENT OF THE MISSOURI,
Fort Leavenworth, Kansas, October 31, 1870.

COLONEL: I have the honor to submit herewith the usual annual report of affairs in this department.

On the 3d of May, in compliance with General Orders No. 41, dated April 15, 1870, I assumed command of the department, relieving Major General J. M. Schofield, whose headquarters were in St. Louis, Missouri. A few days after a raid was made by Indians on the working parties of the Kansas Pacific Railroad beyond Kit Carson, and ten or twelve persons killed and several hundred head of stock (mainly mules) driven off. The railroad was then being graded and completed between Kit Carson and Denver, and a large force of laborers distributed with as much heedlessness of danger as if employed in the streets of St. Louis. They were without arms and observed not the least precaution. Every man killed was without arms of any kind. Under General Schofield's administration the troops in that region were stationed along two lines from east to west. The Third Infantry occupied the line of the Arkansas, beginning at Fort Larned, and embracing Larned, Dodge, and Lyon; a company of the Fifth occupied Fort Reynolds, on the Arkansas, seventy-three miles above Lyon; the Fifth Infantry was distributed at Forts Harker, Hays, and Wallace, along the line of the Kansas Pacific Railroad. Larned was wholly an infantry post; garrison, three companies; Dodge, two infantry companies and one troop Tenth Cavalry; Lyon, three infantry companies and one troop Seventh Cavalry; Harker, two infantry companies and two troops Seventh Cavalry; Hays, two infantry companies and two troops Seventh Cavalry; Wallace, three infantry companies and one troop Seventh Cavalry. Five troops of the Seventh Cavalry wintered at Fort Leavenworth, but at the date of the Indian raid referred to (May 14) were en route to a summer camp near Hays; one troop sent by rail to Wallace.

As soon as news of the raid reached me by telegraph, I directed Lieutenant Colonel C. R. Woods, Fifth Infantry, commanding Fort Wallace, to take charge of the region of country along the railroad from

Wallace to Denver, and to transfer his headquarters to some convenient point between those places. I gave him general command for this service of the troops at Wallace, Lyon, and Reynolds, and reinforced him with two cavalry troops from Hays and one infantry company from Larned. Colonel Woods promptly distributed his infantry force along the line of the roads and sent out four troops of cavalry under Major Reno, Seventh Cavalry, in pursuit of the raiding party. The Indians, however, had too much the start, and escaped across the Platte. They were undoubtedly Sioux, who being refused permission to hunt on the Republican had taken this mode of revenging themselves. Another attack was attempted soon after near River Bend, but the troops were at their stations, and easily repulsed it. Since that time there have been no further troubles from Indians in that region.

The raid was no doubt due to the gross carelessness of the working parties along the railroad. They were distributed along forty miles of the road without arms or preparation of any kind, and their defenseless condition and utter neglect of every precaution which experience of the past should have taught them was essential to their safety, offered an irresistible temptation to the Indians. It is hardly necessary to say to the division commander that a large part of these Indian raids and murders is due to this extreme recklessness and disregard of common sense and every-day experience on the part of the whites. It is not possible to correct these things, nor can it be expected that troops will be found at all times and at every point of this vast frontier where irresponsible and reckless white people choose to appear.

A cavalry camp of six troops of the Seventh Cavalry, under Lieutenant Colonel Custer, was established near Fort Hays with detachments (three troops) posted in the extreme settlements along the Saline, Solomon, and Lower Republican Rivers. These detachments, with the numerous scouts made from this cavalry camp along the courses of these streams, have kept everything quiet along that frontier. It became necessary, during the alarm occasioned by the raid in May, to detach three companies from the artillery school at Riley, for service along the western settlements. I was very reluctant to interrupt the prescribed course of instruction of the batteries, but the necessity was urgent, and the duty was performed by the companies thus detached cheerfully and efficiently.

The troops south of the Arkansas were distributed as follows: Camp Supply, Indian Territory, three companies Third Infantry, and five troops Tenth Cavalry; Fort Sill, four companies Sixth Infantry and four troops Tenth Cavalry; Fort Arbuckle, Indian nation, two troops Tenth Cavalry; Fort Gibson, Cherokee nation, one company Sixth Infantry; Fort Smith, one company Sixth Infantry; Little Rock, two companies Sixth Infantry; Osage neutral lands in Kansas, two companies Sixth Infantry and one troop Seventh Cavalry.

Fort Arbuckle has been abandoned as a military post and the garrison transferred to Fort Sill.

Camp Supply is now garrisoned by two companies Sixth Infantry, two companies Third Infantry, and four troops Tenth Cavalry; Fort Sill, seven troops Tenth Cavalry; Gibson, three companies Sixth Infantry; Smith, one company Sixth Infantry; Little Rock, one company Sixth Infantry. One company Sixth Infantry is at the Cheyenne and Arrapaho agency on the Canadian, and will remain there this winter. It is proper to state that no necessity exists for troops at Gibson, Smith, or Little Rock, and they are only kept there in the winter for want of shelter in the Indian country, where they are really needed.

The Eighth Cavalry and Fifteenth Infantry are in New Mexico, judiciously distributed at the various posts in that Territory. It is not deemed necessary to go more into detail concerning the stations of these two regiments, which are the same now as hitherto, except that Fort Bascom has been ordered to be abandoned and the garrison withdrawn to Fort Union.

I transmit, inclosed, a list of depredations, small in number and of little serious injury, committed by the Indians of the southern reservations, the Cheyennes, Arapahoes, Comanches, and Kiowas. These latter have crossed into Texas, as has always been their custom, and committed a good many depredations during the past summer. I also inclose herewith certain papers from Lieutenant Colonel A. D. Nelson, United States Army, commanding Camp Supply, Indian Territory, relative to Indian affairs, which are referred to further on in this report.

In New Mexico the Utes in the north, as has always been the case, have maintained peace and friendly intercourse with the whites. Substantially the same may be said of the Navajoes.

With the Apaches in the southern part of the Territory and on both sides of the Rio Grande, the usual small troubles have been continued, and I think are likely to be continued. The Apaches of New Mexico are a squalid, cowardly race, divided into innumerable small bands acknowledging no common authority, and are, perhaps, the most skillful thieves on the frontier. It is much to be doubted, from the character and habits of these Indians, whether they can be brought to live upon a reservation at all, unless, indeed, they are furnished with everything they covet.

Speaking generally, there has been little trouble with the Indians in this department during this season. This result is mainly due to the fact that these Indians have been fed and furnished with nearly everything they asked for, and by these means much temptation to depredate removed. It may be safely said, however, that if the Indians are to be kept quiet by feeding them, there are much cheaper and safer places to do it than their present reservations. Far away from lines of railroad or river navigation, food is, in their present location, immensely expensive. It may also be said that if food and raiment are furnished these Indians, they can hardly claim to need arms or horses, and these they should be required to relinquish, by which means both the temptation and the power to depredate would be removed. If, in addition, they were removed to some point on a railroad or navigable river, all this could be done at much less expense than is now incurred.

RELATIONS BETWEEN THE ARMY AND THE INDIAN BUREAU.

The relations between the military authorities and the agents of Indians on reservations in this department I have carefully set forth in the inclosed order, in so far at least as these relations concern the action of Army officers. This relation I understand to be that established by the Government, and so long as both parties literally observe it (as I feel sure the military will do) there need be no conflict of authority, and no controversy. It may be safely doubted, however, whether such a relation is best for such Indians as the Arapahoes, Cheyennes, Kiowas, and Comanches. The country assigned to these Indians as reservations is of immense extent and quite unsettled. The reservations of the Kiowas and Comanches is very near the frontier settlements of Texas, upon which these Indians have been accustomed to depredate for years. The military authorities having no jurisdiction whatever

within the reservation, are powerless to prevent an organization of the Indians for hostile movements, or to arrest such movements until the parties concerned have passed beyond the limits of the reservations. In other words, the Indians on these reservations may hold council after council, devising means and determining plans for raids upon the settlements north and south, may accumulate everything needed for them, and may march off from their encampments on hostile expeditions, and yet the military authorities at hand in the neighborhood, fully possessed of all the facts, and knowing well the active persons concerned in organizing the raid, can neither arrest the parties nor in any manner interfere with the expedition until it shall have passed beyond the limits of the reservation. Having in this manner prepared everything for the raid, and having the choice of any of the numerous exposed points of the settlements north and south to attack, their first move must be successful, and occasion severe injury to the places and people attacked. It is only then that troops can be used, generally too late to accomplish anything except fruitless pursuit. In very many cases such expeditions could be wholly prevented by arresting for the time the active parties engaged in getting them up, or by seizing and keeping for awhile the ponies of the tribe or tribes concerned. It seems to me that such obvious and peaceful means of entirely frustrating hostile expeditions of Indians, attended with such destruction and such nameless horrors, ought to be in the power of the military to use. At present the military forces can do nothing until after hostilities begin, and then it is generally too late to do much good. I merely present this statement of the case without urging anything. I think the common sense of it need not even be emphasized.

I believe it proper to set forth in some detail the position of the military authorities in relation of these Indian reservations, as all depredations committed by Indians are charged to want of proper action or inefficiency of the military, and the commanders of military posts in or near any of these reservations are invariably held responsible by public opinion for the conduct of the Indians over whom they have no jurisdiction nor control whatever. Much injustice has in this manner been done to several post commanders in this department, and especially to Colonel B. H. Grierson, commanding Fort Sill. That post is near the Texas frontier, and in immediate contact with the Comanche and Kiowa reservations. These Indians have made many hostile incursions into Texas this year, as they have done in years past, and Colonel Grierson has been blamed for it, when in fact he cannot in any way control the movements of the Indians, nor arrest and punish them for any hostile acts. Upon being closely pursued the Indians retreat to their reservations, where the military cannot touch them. I regret to notice that this feeling has been manifested by the military authorities in Texas, of course in ignorance of these facts. I could wish that the War Department would publish some general orders setting forth fully the exact relations between the military authorities and the Indians, and their agents, in order that military commanders at least might be spared misapprehension and unjust censure from the members of their own arm of the public service.

OF THE INDIANS.

In order that the recommendations I shall make for the permanent distribution of troops in this department may be clearly understood, it is necessary to sketch briefly the character and location of the Indian tribes, and their relation to the settlements in danger from their raids.

With the exception of small hunting parties of Sioux from the north, the whole region between the Platte and the line of the Red River of Louisiana has hitherto been possessed, or rather roamed over, by the Comanches, Kiowas, Cheyennes, and Arapahoes. A small remnant of the Apaches of the Plains lives with the Comanches.

Under present treaties all these Indians are bound to live upon reservations laid out for them in the southern part of this department—the Cheyennes and Arapahoes along the waters of the Canadian, the Kiowas and Comanches between the Canadian and Red Rivers. So long as the Indians remain on these reservations, they are solely under the jurisdiction of the Interior Department. When they go beyond, it becomes the duty of the military to compel their return.

The Arapahoes have, almost to a man, been peaceful during this year. The Cheyennes, as a body, have, I believe, also been peaceful, though some of their young men committed some depredations, and probably murdered one or two men in the early part of the summer.

The Kiowas have been altogether the worst Indians we have had to deal with. I think it almost certain that nearly all, if not quite all, of the depredations and murders committed south of the Arkansas River since May 1 are to be charged to this tribe. They are now, as they have been for twenty-five years past, the most faithless, cruel, and unreliable of all the Indians of the plains. The Comanches have joined them, however, in the depredations committed in Texas, which these Indians can never be made to understand is embraced in any treaty with them. The Texas settlements are, and have always been, considered by the Indians legitimate prey, and they cannot be made to understand that any treaty restrains them as against the settlements of that State. I think the location of these reservations along the northern line of Texas was hardly judicious. Under the circumstances, which are known to every officer familiar with the history of these Indians, the further from Texas these reservations could be located the better. Having established the reservation where it is, it would perhaps be impolitic to remove it, but the military force stationed at Fort Sill ought, under the peculiar circumstances, to be invested with much greater jurisdiction over the Indians there than is now the case. It is not necessary, however, to add anything to what I have already said on this subject.

The settlements in danger from the Cheyennes and Arapahoes are the settlements of Western and Southwestern Kansas, along the Arkansas River, the Kansas Pacific Railroad, the Saline, Solomon, and Republican Rivers. The eastern settlements of Colorado and New Mexico may also be said to be exposed to these Indians, though not so much.

The Utes, occupying a large part of Colorado and Northern New Mexico, have always been peaceful, and unless molested and wronged, are likely to remain so.

Much the same thing may now be said of the Navajoes, occupying the region south of the Utes, between the Rio Grande and the Great Colorado. There is, of course, small thieving going on between the Mexicans and these Indians, but nothing that can be dignified as war.

The Apaches, occupying all Southern New Mexico on both sides of the Rio Grande, as also Arizona, are the most aqualid, cowardly, thieving Indians I know on the frontier. They are divided into numerous small bands, recognize no general authority, and most of their warlike operations consist in the murder of an unprotected herder or two, and the theft of their herds of sheep. Very small, unarmed, or careless parties of travelers are no doubt in some danger in the country occupied

by these Indians. They have none of the warlike propensities and pride of the Plain Indians, and are never likely to combine for any general war. In this loose and incoherent condition is found the great difficulty of controlling or punishing these Indians.

It seems reviving a threadbare subject to discuss, at this date, the characteristics and conditions of the Indians in this department, but thus much seemed to me judicious in view of the military dispositions I intend to propose for the approval of the Government.

OF MILITARY POSTS.

The completion of the Kansas Pacific Railroad to Denver and the changed condition of the Indians, both as to their location and relations with the military, have greatly simplified the question of the number and position of military posts, and have, I think, enabled us to determine, in most cases, with some degree of certainty, the location of the permanent military posts in this department, and the military dispositions necessary for the future.

The railroad traversing the department from east to west furnishes cheap and rapid communication and puts most of the posts within easy reach of supplies. It becomes practicable, therefore, to conduct military operations with facility over the larger part of this department, to receive immediate intelligence, and to concentrate troops with rapidity. It seems, therefore, more practicable now to defend the numerous exposed points on the frontier from some large central posts, on or near the railroad, than it was in times past imperfectly to effect the same object by the establishment of numerous small posts. The Indians on the southern reservation cannot reach the settlements exposed to them in Kansas and Eastern Colorado without crossing or very nearly approaching the line of the railroad, where their appearance and number can be rapidly communicated by telegraph, and the necessary force sent by rail. Small detachments placed at the important stations along the railroad, in proper defensive buildings, easily protect such stations until assistance, telegraphed for, can reach them.

The depredations of Indians on the settlements in Kansas and Colorado must, of necessity, be committed during the warm weather. There is no grass for animals on the plains in the winter, and the violent snowstorms and severe cold altogether prevent the Indians from traversing them at that season. Summer camps of cavalry or infantry sent out in the early spring to important points from some large central posts accomplish all the objects to be expected from small posts kept up all the year at the same points, and I am satisfied that they can accomplish these objects much more completely and at vastly less cost. It may be safely asserted that the same number of troops stationed at a large post can be subsisted at much less cost than would be incurred if they were distributed at a number of small posts. The administrative machinery of a small post—the police, the service in the quartermaster's and subsistence departments, and for daily extra duty—is nearly as great as for a large post. The waste of supplies, a large item, is greater when issued in small quantities than in large. It will be apparent, without detail, that the general statement as to expense is well founded.

The esprit, the discipline, and efficiency of troops are greatly promoted by assembling them in large bodies, equal at least to one regiment. Every officer knows this fact well.

In the service on the frontier the want of men for active pursuit of Indians, and other military operations in the field, has been severely

felt, and this want has been largely due to the distribution of the troops at small posts. With 1,000 men at one post it is easy to put into the field, on the shortest notice, 850 men. Distribute the thousand men to four small posts and it will not be found practicable to put into the field 600 men.

If, therefore, the needed protection to settlements and routes of travel can be as completely secured by a few large posts as by many small ones, three very important things can be accomplished: 1st, a large reduction of expense; 2d, better discipline and morale among the troops; 3d, the power to use much more of any given force for field service.

I propose, then, to examine the question as far as concerns this department; and first as to the country east of the Rocky Mountains, between the Platte and the Red River of Louisiana.

As I have before explained, the Indians who have heretofore roamed over this whole region, and from whom danger is to be apprehended, are those on the southern reservations in this department, viz., the Arapahoes and Cheyennes, along the waters of the Canadian River, and the Kiowas and Comanches along the waters of the Red River, still further south. The whole region between the Arkansas and the Red Rivers, west of the Cherokee, Choctaw, and Chickasaw reservations, (where there is no likelihood of trouble,) is entirely unsettled, and in the nature of things must remain so until some railroad along the thirty-fifth parallel is built. This road, though projected, has not even been commenced, and its completion is so far in the future that it can be safely left out of the question now. The depredations of these Indians in this department are committed upon the settlements in Kansas, of which there are none south of the Kansas Pacific Railroad, except east of the Great Bend of the Arkansas, (and these last settlements are now so populous and so far to the east that the danger of attack from Indians is very remote,) and upon the settlements in eastern and southern Colorado and a small section of New Mexico, on the Canadian, east of Fort Union.

In order to reach any of the settlements in Kansas and Colorado, the Indians must pass over a great extent of uninhabited country destitute of timber and scantily watered, and this they can only do from May 1 to about October 15. Between the 15th of October and the 1st of May there is no grass to subsist animals in all that region, and for a large part of the time snow-storms and cold weather render it next to impossible to be traveled over. It is then only between May 1 and October 15 that the settlements in question require precautionary military arrangements against Indians.

Leaving out of the question for the moment Fort Sill and Camp Supply, which were established under peculiar circumstances and for particular objects, we have now for the protection of the settlements referred to Forts Larned, Harker, Hays, Dodge, Wallace, Lyon, and Reynolds, besides the troops distributed at the important stations along the line of the railroad.

The garrisons of these posts amount in the aggregate to eighteen companies of infantry and seven companies of cavalry. Larned is fifty-five miles from the railroad, Dodge ninety miles, Lyon fifty-five miles, and Reynolds seventy-five miles. At all of these posts timber is wanting, and wood is very expensive. The cost of hauling supplies to them in wagons from the railroad, either by contract or by Government trains, is very great. Yet not one of them is needed for at least six months of the year.

The Indians keep themselves closely to the wooded country south of

the Canadian during the whole winter and until late in the spring, when the grass is sufficiently grown to subsist their animals. There seems no good reason why, merely for occasions which can only arise during six months of the year, we should keep expensive military posts *all* the year. It seems to me that we can very judiciously follow the example of the Indians themselves in this matter. Without attempting to go more into detail in explanation of what seems very plain, the arrangements which I propose, in view of the circumstances thus set forth, are as follows for the region between the Platte and the Texas line, east of the Rocky Mountains: To concentrate at Fort Hays the garrisons of Larned, Dodge, and Harker, or rather to establish at Hays the Third or Fifth Infantry, with two companies of cavalry, for any contingency that may arise during the winter. In like manner to concentrate at a post to be established on the railroad at or near River Bend or Cedar Point, the garrisons of Wallace, Lyon, Reynolds, and a large part of the garrison of Camp Supply, which I presume will, under any circumstances now to be foreseen, be broken up next spring. In brief, to establish an infantry regiment and two cavalry companies at Hays, and the same force at Cedar Point. The material now in the buildings at Harker, on one side, and Wallace on the other, is fit for use, and can be cheaply transported by rail from both posts to Hays.

Cedar Point is near (within fifteen miles of) the promontory of pine timber which extends far to the east from the foot of Pike's Peak, and lumber could be had there at little cost. Coal has been found and is being mined at so many points along and near the railroad, that fuel need enter but little into the question of locating these posts.

I by no means propose to abandon, altogether, Larned, Dodge, Wallace, Lyon, and Reynolds, but to leave a small detachment, a picket, in fact, to hold possession of the buildings until they are no longer habitable. No repairs should be made and no expenses incurred, however, at any of them. It is quite likely that the summer camps would be established in the immediate neighborhood of these posts, which could then be used to store temporary supplies, and furnish shelter for sick men of the command camped near them. Before these posts would be entirely useless for such purposes, it is quite certain that the need of troops in the vicinity would no longer exist.

The large and valuable reservation at Harker, now surrounded by settlements, should be sold, and, if possible, the proceeds applied to building quarters for its garrison at Hays. It contains 10,240 acres, and is worth \$5 per acre.

From these two large posts, which shall take the place of the seven now occupied, it is proposed in the early spring to send out detachments of cavalry and infantry in such force each as the post commander may think judicious, to encamp at important points in the vicinity of the present posts or elsewhere, and to keep moving about in the neighborhood always ready for service, and always selecting camps where there is grazing for animals. Each commander of one of these two large posts should have a certain district of country to attend to, and having authority over all the detachments sent out from his post, he could strengthen, reduce, or concentrate the detachments as the special occasion might demand.

During the six months thus spent in camp no forage except the grass of the prairies would be needed, no wood except what could be gathered by the command for mere cooking purposes, and there would be none of the constant daily expenses of a post occupied permanently by the same force. In the winter these detachments drawn into the posts on the

railroad could be supplied with everything needed at the lowest possible cost.

Of the economy of such an arrangement there can be no doubt, nor have I any doubt, for the good of the troops and for the protection of the country, it would be far more efficient than the present system of small posts. It is only during five or six months of the year that danger from Indians is to be apprehended. Of course the larger the force we can use during that time, and the more freely it can move, the more efficient will be the service. The system of movable camps to take the place of the small posts perfectly fulfills the conditions.

From Fort Hays, thus enlarged, detachments could be sent (of cavalry) to the Saline, Solomon, and lower Republican, as now; infantry and cavalry to the Big Bend of the Arkansas, below Larned, to cover the settlements of southwestern Kansas; infantry and cavalry to some point near Dodge; infantry and cavalry to some point near Wallace, or between that post and the Arkansas on one side and the Republican on the other. The commander of Hays to have the general command of all these detachments. The depot of supply for all to be at Hays. The commander of the post at River Bend to post cavalry and infantry at or near Lyon, at or near Reynolds, at or near the point where the Purgatory River leaves the Raton Pass, on or near the upper waters of the Republican, in two places; these last for precaution against marauding parties of Sioux and Cheyennes from the north side of the Platte. Thus this whole region would be occupied by forces constantly on the move, and in the most efficient condition during the whole season of danger from Indians.

I have gone thus into detail concerning the part of this department treated of, so that my general purpose may be understood somewhat in detail. I shall merely indicate for the rest of the department the location of the posts I propose to retain, and their strength.

And, first, of Camp Supply and Fort Sill. Camp Supply was first established as a depot of supply for General Sheridan's campaign against the Indians in 1868. It has been retained as a position half way on the road to Sill. It is in an entirely unsettled region, not even in the vicinity of the Indians, and seems to me to serve no purpose whatever. It simply invites travel into a portion of the country where it would never go except for the existence of the post and for its service, and this travel is a constant temptation to the Indians to attack trains or small parties. If there were no post there would be no travel, and consequently no Indian hostilities. I recommend its abandonment in the early spring.

Fort Sill is an important position, and as a post for a regiment or even eight companies of cavalry, it would be of incalculable use as a protection to the settlements in Texas, if only the post commander could be vested with power to overlook the Kiowas and Comanches, arrest any hostile expeditions into Texas before they left the reservation, or punish them when they return from a raid upon the white settlements. With this power in his hands, if he should be a discreet and prudent officer, (and such an officer could easily be found,) the commander of Fort Sill could almost invariably arrest any hostile expeditions of Kiowas and Comanches without violence or bloodshed. In the hope that this power will be given him, I recommend most decidedly the retention of Fort Sill and its enlargement so as to hold at least two more cavalry companies. It will be sufficiently near the line of the Pacific Railroad—along the thirty-second parallel—for protection of the road, and for all the conveniences the road will present.

NEW MEXICO AND SOUTHERN COLORADO.

The dispositions for protection to that part of Southern Colorado east of the mountains are to be made from the post at River Bend, as already stated. There is no present likelihood of hostility on the part of the Utes, and probably there will not be unless they are unjustly treated. As this may be confidently expected, however, with the progress of white settlements, it would not be safe to proceed upon the assumption that no military precautions are needed against the Utes.

Fort Union, now the headquarters of the Eighth Cavalry, is admirably placed not only to afford protection against the Utes, but to cover the whole of the eastern and southeastern frontier settlements of New Mexico against the Indians on the southern reservations. It is proposed to keep Fort Union as one of the large posts from which to send out detachments for the summer on the plains east and south. Fort Garland is also judiciously placed to cover the settlements along the Rio Grande north of Taos.

I do not believe that Fort Wingate is necessary. It is so far out as to require heavy expenditures for transportation of supplies, and does not seem to serve any good purpose. The Navajoes are peaceable, and likely, I think, to remain so. Any evil acts they do are simple robberies of sheep or mules, and once in a long time the killing of a herder. As they can only depredate upon the settlements far in rear of Wingate, that post would answer every purpose if it were as far back as Laguna. Indeed, I doubt whether it is needed at all. A troop of cavalry at Laguna and one at Cebolleta, where forage is abundant and cheap, would answer every purpose.

Fort Craig I consider useless, and it should be given up. It is on private land and is a growing and needless expense. Leaving a company of cavalry at or near Laguna and one at Cebolleta, it is probable that the present garrisons of Craig and Wingate could be quartered at Garland and Fort Union, such as could not be accommodated at those posts in the present buildings to be left at Albuquerque, where supplies of all kinds are cheap and can be had on the ground.

In the southern part of the Territory of New Mexico there are now five posts, every one (except Fort Selden) established in a region distant from supplies and requiring enormous expense of wagon transportation. They ought, in my opinion, to be reduced to not more than three—preferably two. Selden I consider important, and a post on the Mimbres to the west, to take the place of Bayard and Cummings. Selden and the post west of it, on the Mimbres, would be quite near the thirty-second parallel, and certainly very near, if not directly on, the proposed railroad along that parallel.

Fort Stanton is very remote from anywhere, and correspondingly expensive. It was established in 1855, with the idea that the country in the neighborhood would be settled immediately and would soon render the maintenance of the post unnecessary. The military purpose was to cover the Jornada del Muerto and the line of settlements along the Rio Grande from the depredations of the Mescalero Apaches, who live in the Sacramento Mountains. Neither purpose was accomplished. It was too far away to protect the line of settlements along the Rio Grande, and certainly it would be safe to say that not more than twelve or fifteen hundred persons have settled in all the region near Fort Stanton for the fifteen years of its existence, and these settlers find their sole market at the fort. So far from being self-sustaining, the settlers could

sell nothing except to the post, and if it goes they must go also, and that entirely irrespective of Indians.

Whether it be the purpose of the Government to keep up a large post in so remote a place and at such enormous expense for such a purpose I do not know, but, speaking in a military view, Fort Stanton is wholly unnecessary. There were no settlers when the post was established, and the few now there must have gone at their own risk and with full knowledge, from all experience, that the post was, of necessity, temporary. They exist now merely by trade with the post, and it seems rather absurd that a military post, once established, must be forever kept up for the protection of a few settlers who live by trading with it. The removal of the garrison, however, (as, indeed, of any other,) will occasion loud outcry and endless petitions and representations. Once establish a post and it seems nearly impossible, without infinite clamor and objection, ever to remove it.

In brief, I propose, in lieu of the ten posts in New Mexico, to have four, or certainly not to exceed five, posts. It will be necessary to build the post on the Mimbres west of Selden and to enlarge Selden somewhat, and this I believe will be all that would be needed. Bascom has been abandoned and its garrison transferred to Fort Union.

While, if left to carry out my own views on this subject, I would proceed at once to dispose of the troops in this department as I have herein suggested, I do not advise, in view of all the circumstances remotely connected with the matter, any great or sudden change in the present arrangements. It will probably be more judicious to effect the changes gradually, as occasion offers, and to extend over several years the entire rearrangement. But I would decidedly advise that no more expenses be incurred at any of the posts herein proposed to be abandoned than are actually necessary, and none whatever for building or even for repairs of any kind. As fast as quarters become uninhabitable I would remove one company at a time to the large post designed to be its permanent station and continue to do this gradually until all are thus removed. It is not unlikely that the repairs and heavy expense for transportation, for fuel, and for forage, which will be needed at such posts for the next two years, remote as they are from the railroad, will require as much expenditure of money as would be needed to build quarters for the troops at the large post on the railroad. Whenever it becomes apparent that the repairs needed at the small distant posts approximate in cost to building quarters for them at the large post, the latter course should at once be adopted. In this manner, too, the post at River Bend and on the Mimbres, in New Mexico, can be gradually built. I should prefer to do the whole thing at once, and I think careful examination will show that it would be economy to do so. I am firmly convinced that the difference of expense between supplying troops at large posts on the railroad and the same force scattered about at many small posts remote from the railroad would in itself be sufficient in two years to build everything that is necessary to complete the arrangement I recommend. I must leave a decision of the question to higher authority, merely reaffirming, with all the emphasis I can give it, the statement that, for economy, efficiency of administration and of military operations in the field, comfort, discipline, and morale of troops, there can be no question between the system of a few large central posts and that of numerous small posts.

DEPOTS.

There are two general depots in the department, the largest at Fort

Leavenworth, the other at Fort Union, merely for the supply of troops in New Mexico.

The depot at Fort Leavenworth is admirably located and in all respects complete and satisfactory. For years to come it must be the source of distribution of supplies to a vast district of country and to a considerable part of the Army.

Fort Union as a depot is, in my judgment, useless. It is enormously expensive, far beyond any compensatory advantage, and should be broken up as a depot with as little delay as is practicable. It was established in 1851, when New Mexico was a separate military department, drawing all its supplies from Fort Leavenworth and St. Louis. At that time Fort Union was at the end of a wagon route from the Missouri River seven hundred miles long, and all the stores had to be hauled in wagons over that whole distance. It was proper enough then that there should be a depot there, but that condition of things has passed away and the necessity of a depot has ceased. The building of the Kansas Pacific Railroad has reduced the wagon travel to New Mexico to two hundred and eighty miles, and it is easier to transport supplies now to the most remote point in New Mexico than it was in times past to deliver them at Fort Union.

The nearest and most accessible point of the railroad to Santa Fé is Kit Carson, and it will be found cheaper and easier to contract to haul from that point supplies direct to each post in New Mexico than to contract for their delivery at Fort Union and their rehandling and redistribution from there.

Any surplus stores which might be needed in consequence of unforeseen emergency in New Mexico could be readily kept in store at Fort Union, in charge of the proper supply officers of the post, but the whole machinery of the depot there is very expensive and unnecessary. It is my purpose, if it be approved, to break up the depot of Fort Union in the spring and to make contracts for the delivery to each post in New Mexico of its annual supplies direct from the railroad at Kit Carson. These supplies can be put up here and shipped separately for each post to Kit Carson, where an agent of the Quartermaster's Department can see to their delivery to the contractors for transportation. As this question must be determined soon, in view of the necessary contracts for next year, I invite special attention to my recommendation and as early a decision as may be convenient.

FORT LEAVENWORTH.

The military reservation of Fort Leavenworth is one of the most valuable and most useful possessed by the Government. It embraces about 6,000 acres of good land, a large part of which is occupied by barracks, storehouses, buildings for department headquarters, and for farming purposes. It lies on the Missouri River, at a point where steamers can reach it for eight or nine months of the year, is connected by railroad with all points northeast and south, and from it the Kansas Pacific Railroad extends westward to the Rocky Mountains. For years to come it must be the most suitable place for the headquarters of a department embracing the whole region of country as far west as the eastern line of California, and as far south as the northern boundary of Texas. It is altogether the most convenient and suitable place for depots of supplies for troops serving throughout that great region, and as a depot at which to recruit animals intended for public use, temporarily disabled by service in the field. Forage and provisions of nearly every kind needed for the army

are to be had there at the least cost, and it is now used, and I presume will continue to be used on a constantly increasing scale for wintering cavalry employed during the summer in the field, north of the Arkansas River. To part with any part of the reservation would be to give up by far the cheapest and best possession for the military service of the Government to be had in all this country. So far from selling any part of it, it would clearly be for the interests of the Government to appropriate every year, for some years to come, a considerable sum of money to enlarge and increase the accommodations for troops, and the storage of military supplies. The post ought to hold ten companies of cavalry; that is, there are barracks and quarters for that force, with its officers, but two of the buildings erected for barracks are now used for department and post offices, and the quarters for officers belonging to the troops which should occupy them are now occupied by officers belonging to the department staff. The removal of headquarters to this place, before any suitable buildings were provided, and without any arrangement for providing them, has rendered this occupation of unsuitable buildings for department purposes necessary, but I hope and earnestly urge that a suitable amount be applied (say \$300,000) to put up as soon as possible suitable offices for department headquarters, and quarters for officers attached to department headquarters and the depots. When this is done, which ought to be done without delay, all the unsuitable buildings and quarters now used could be surrendered to troops, which could be wintered here, and could perform their duties on the plains in the summer, at far less expense, and with equal efficiency as now. I recommend, therefore, in view of all the public interests involved and to be promoted thereby, that a special appropriation of the amount above named be asked from Congress at its coming session to build suitable offices and officers' quarters for the headquarters Department of the Missouri, such appropriation to be expended under the direction of the Secretary of War, and upon plans and estimates approved by him.

INDIAN RESERVATIONS.

While the military authorities under the present system, having no jurisdiction over Indian reservations, I trust it will not be considered improper to submit a few remarks on the subject for such consideration as may be given them. I do not propose to add anything to what I have already said as to reservations now established, but to ask careful consideration of the question of locating any other reservations which may hereafter be determined on. My views as to the location of Indian reservations are briefly set forth in the appended letter to Judge Smith, of Colorado, written in 1866. Everything that has occurred since seems to me to strengthen the positions therein taken.

To lay out a reservation for Indians in the very region they have always occupied, and every path in which is known to them, and from which they have always made their raids upon the settlements, is simply to furnish them with what alone they have needed in the past to secure success in their hostile expeditions, or security to themselves, in case of failure, viz: 1st. A depot of supplies furnished by the Government; and, 2d. A place of safety where they are protected by an agent of the Government from the consequences of any crimes they choose to commit. If it should prove that they will keep the peace, in consideration of being supplied with everything they covet, surely there are much cheaper places to furnish such things than an agency many hundreds of miles away from productive regions, and from lines of railroad and

navigable rivers. Aside from the enormous expense to the Interior Department of such a remote reservation, the army also is saddled with the very heavy and useless expense of keeping up and supplying remote posts in the same regions, and of furnishing heavy escorts to trains.

In the appended letter to Judge Smith, I have explained my opinions on this subject with sufficient clearness, and in view of the establishment of any new reservation for Indians in this Department, I would respectfully ask careful examination of the question of location. In this matter the military forces have an equal interest, certainly with the agents of the Interior Department.

I submit herewith a roster of troops serving in this Department, and the papers heretofore referred to in this report, together with such orders as I have made bearing upon the matters touched on.

It is proper to invite attention to the letters of Lieutenant Colonel A. D. Nelson, commanding Camp Supply, relating to the dissatisfaction of the Arapahoes and Cheyennes with the location of their agency.

I am, colonel, respectfully, your obedient servant,

JNO. POPE,

Brevet Major General Commanding.

Lient. Col. GEORGE L. HARTSTUFF,

*Adjutant General Military Division of the Missouri,
Chicago, Illinois.*

REPORT OF MAJOR GENERAL HANCOCK.

HEADQUARTERS DEPARTMENT OF DAKOTA,

St. Paul, Minnesota, November 1, 1870.

GENERAL: I have the honor to submit the following report of military operations in this department since the date of my last annual report, (October 20, 1869.)

The department is, as at date of last report, subdivided into the districts of Minnesota, Montana, and Middle District, and the independent post of Fort Buford, commanded respectively by Colonels George Sykes, Twentieth Infantry, John Gibbon, Seventh Infantry, D. S. Stanley, Twenty-second Infantry, and Lieutenant Colonel C. C. Gilbert, Seventh Infantry.

The posts in the District of Minnesota are garrisoned by the Twentieth Infantry, distributed as follows: Fort Snelling, regimental headquarters and one company; Fort Ripley, one company; Fort Abercrombie, one company; Fort Wadsworth, two companies; Fort Ransom, one company; Fort Totten, two companies; Fort Pembina, two companies; Fort Ridgley, in charge of an ordnance sergeant.

In the District of Montana, the troops, consisting of four companies Second Cavalry and seven companies Seventh Infantry, are distributed as follows: Fort Shaw, regimental headquarters and four companies infantry; Fort Ellis, four companies cavalry and one company infantry; Fort Benton, one company infantry; Camp Baker, one company infantry.

The Seventeenth and Twenty-second Regiments of Infantry garrison the posts included in the Middle District, and are distributed as follows: Fort Sully, regimental headquarters and four companies Twenty-second Infantry; Fort Rice, regimental headquarters and four companies Seventeenth Infantry; Fort Randall, two companies Twenty-second Infantry; Fort Stevenson, two companies Seventeenth Infantry; old Ponca agency, one company Twenty-second Infantry; Whetstone agency, one com-

pany Twenty-second Infantry; Lower Brulé agency, one company Twenty-second Infantry; Crow Creek agency, one company Twenty-second Infantry; Cheyenne agency, two companies Seventeenth Infantry; Grand River agency, two companies Seventeenth Infantry.

The independent post of Fort Buford is garrisoned by three companies of the Seventh Infantry.

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DEPARTMENT OF DAKOTA.

	Officers.	Men.
District of Minnesota.....	29	777
District of Montana.....	38	648
Middle District.....	70	1,557
Fort Buford.....	10	275
Recruits (en route).....		317
Grand total.....	147	3,574

It will be seen by comparison, that the strength of the command has been permanently increased during the last year by one regiment, the Seventeenth Infantry, which arrived in the department in May; also, during a portion of the year, (from April to August,) the Fourteenth Infantry served in the department, on the Missouri River, at Fort Randall and points above to Crow Creek Agency. These regiments were sent into the department for service in case of troubles or outbreaks, which were apprehended might arise in the permanent location and settlement on their respective reservations of the several bands (or tribes) of the Sioux nation, which, by treaty, were to be established on the Missouri River. As no outbreaks of importance occurred (owing, possibly, to the presence of the troops) and more urgent necessity for troops arose in other departments, the Fourteenth Infantry was transferred to the Department of the Platte, the last detachment of it leaving this department on the 23d of August.

The relief of the Thirteenth Infantry (in Montana and at Fort Buford) by the Seventh Infantry was effected, in accordance with the orders of the General-in-Chief, between the last of May and August, the last detachment of the Thirteenth having commenced its march for the Department of the Platte on the 21st of June, and the last company of the Seventh arriving at its station (Fort Shaw, Montana Territory) on the 22d of August.

In connection with and in consequence of the establishment upon their reservations of the Indians above referred to, I have, since last spring, established temporary posts or stations at the following-named agencies, to give protection to the employés of the Indian Bureau thereat, to the Indians themselves, and to guard the various interests of the Government involved, viz: Old Ponca agency, Whetstone agency, Lower Brulé agency, Crow Creek agency, Cheyenne agency, and Grand River agency, Dakota Territory. It is believed the establishment of these stations has been of valuable service at inconsiderable expense, such buildings as it was found necessary to erect having been constructed of a temporary character, principally by the labor of the troops, and of material to be found in the vicinity. The status of affairs on the Missouri River remaining as at present, I propose to maintain these stations (except Old Ponca, the garrison of which will be withdrawn to

Fort Randall on the advent of winter) until next spring, when it is hoped the condition of affairs there will be such as to justify the withdrawal of their garrisons and the utilization of the troops at other points in the department, presumably on the line of the Northern Pacific Railroad.

In May and June I visited all these stations, accompanied by my chief quartermaster, with the purpose of giving such directions and instructions, from personal knowledge obtained on the spot, as would insure the erection, before advent of winter, of the necessary quarters and storehouses for the shelter and necessities of the troops during the approaching inclement season. I am able to report that everything requisite to that end has been done, or is in train to be completed by the time required.

During the existence of internal revolutionary disturbances in the "Red River Settlement" of the British province of Manitoba, lying along the northern boundary of this department, constant apprehension existed amongst our northern frontier settlers of incursions from that country by renegade hostile Sioux, driven from Minnesota and Dakota in the outbreak of 1862. In fact, on two different occasions, they (to the number of 200) had started on the war path against our settlements; but, through the earnest efforts of some of the principal men of the country and of Right Reverend Bishop Tachi, of Canada, accidentally in that country on a government mission, they were persuaded to abandon their designs, temporarily at least, but with great reluctance. In view of these facts I deemed it essential to establish a new post at or in the vicinity of the town of Pembina, which is situated on the Red River of the North, near where it crosses the national boundary line, and the point whence a limited garrison can best exert its force for protective purposes. My recommendations on this subject (submitted December 8, 1869) were concurred in by my military superiors, and authority granted by Congress for the erection of a permanent post at the point in question, an appropriation of \$50,000 having previously been made for its construction. As soon in the spring as the condition of the roads permitted, two companies of the Twentieth Infantry were put en route to Pembina, and the building of the fort commenced.

I have but recently returned from a tour of inspection at that place, and am able to report that the site for the post has been judiciously determined, and that sufficient buildings have been erected to furnish quarters for the troops and shelter for the animals and stores for the winter. The delay in determining the site, and the short season in that latitude, have prevented the accomplishment of all that was proposed in the matter of building this season; but the material on hand indicates that the post will be completed early next season. The plans of the buildings struck me as particularly good. The troops I found to be in excellent order, and well commanded by Captain Loyd Wheaton, of the Twentieth Infantry. The valley of the Red River in our Territory is one of the richest in the country, and will support a large population, which without doubt will occupy it at no distant day. During next summer two great railroads, the Northern Pacific and St. Paul and Pacific, having railroad connections with the Atlantic seaboard, will strike Red River at points about sixty miles apart, and it will probably be but a few years longer when a railroad will run the entire length of the river, from its source to Lake Winnipeg, which will give such facilities for the transportation of the crops, hereafter to be raised in this great valley, that it may be safely predicted that it will not be long before the population of that part of it within our Territory will be sufficient

to form a powerful State. I know of no great body of unoccupied land in a northern climate which is likely to prove so valuable for the raising of wheat, or where the prices of land will advance so rapidly.

Since my visit to Pembina, a company of troops in the service of the Dominion of Canada has been posted on the Red River, to the north of the forty-ninth parallel, as determined by Captain D. P. Heap. Its encampment is three or four miles or more to the north of Fort Pembina.

In view of the growing importance of the country in question, I would recommend that early measures be inaugurated, whereby our boundary may be authoritatively determined.

On the 30th of last November I established a camp of one company (cavalry, shortly afterward relieved by a company of infantry) at a point about thirteen miles in front (east) of Diamond City, Montana, near the entrance to pass in the Little Belt range of mountains, through which hostile Indians (Blackfeet principally) were in the habit of coming on their raids upon the settlers. This camp was established at the solicitation of the people in that section, and was found to serve so good a purpose that it has been maintained continuously since. During the spring and summer of this year I have caused the site of the camp to be changed slightly, to secure a better location, and have caused the erection of inexpensive quarters, storehouses, &c., (built of logs, principally by the labor of the troops,) for the better sheltering and protection of the garrison and its stores. When first established, the camp (Camp Baker) was regarded as an outpost attachment of Fort Ellis, but since the 1st of May of this year it has been regarded as a separate and permanent post. In my judgment the necessity for protection of that section of Montana will require its maintenance for some time to come, possibly three or four years.

In the month of June a temporary summer camp of two companies of cavalry was established near the eastern entrance to Cadotte's Pass, through the main chain of the Rocky Mountains, to give protection, if required, to settlers in that vicinity against hunting parties of the Pend d'Oreilles, Nez Percés, and other tribes of Indians living west of the mountains, en route to the valley of the Yellowstone, and, while so en route, sometimes committing depredations on the whites, and also to protect settlers west of the mountains from inroads of Indians from the north and east passing through that and Lewis and Clark's Pass. These companies remained in camp until the last of September, when, having seen no Indians, nor recent signs of them, they were withdrawn to Fort Shaw, and are now en route to Fort Ellis for winter quarters.

Since the date of my last report, the post of Camp Cook, situated on the Missouri River, about seventy-five miles below Fort Benton, and at the mouth of the Judith River, has been abandoned, the buildings (logs) demolished, the material sold as fuel, and all stores worth the transportation transferred to Fort Benton.

No other post in the department, occupied at date of last report, has been abandoned, and no post, other than those already herein reported, occupied.

No important changes in the stations of troops, beyond those herein mentioned, have been made, and, except in the case of unforeseen emergencies arising, I presume none but minor changes will be required during the coming winter. For a more detailed statement of the present stations of troops in the command, I refer to the inclosed copy of the "Department roster."

The progress of the construction of the Northern Pacific Railroad, which, for a great portion of its length, will be within the limits of this

department, may, and probably will, necessitate, in the ensuing spring, some important changes in the stations of troops, especially in the District of Minnesota. Up to the present time, the aid which the military authorities have been called upon to render the enterprise has been confined to furnishing necessary escorts to parties engaged in preliminary surveys of the country west of the Red River of the North. These escorts have been promptly supplied whenever application has been made. With one exception, the troops of the command have not been engaged in active operations in the field during the year. The exception referred to is popularly known as the Baker massacre in Montana.

As is known to the authorities, certain bands of the Blackfeet Nation, generally living in the extreme northern unsettled portion of Montana, or just north of the national boundary in the British Possessions, had, for two or three years prior to this event, been a constant terror to the settlers, especially of the Gallatin Valley. On frequent occasions during this period, their war parties had dashed into the settlements, and after killing the inhabitants of such exposed ranches as they could strike before organized resistance could be opposed to them, and burning the houses, had easily made their escape through the passes in the Little Belt Range, driving before them all the stock they could collect. In general, all efforts to overtake them and recover the stolen stock were fruitless.

Their severe chastisement had long been a positive public necessity, but equally so an impossibility, owing to the want of a mounted force for the purpose. When, in the summer of 1869, a battalion of four companies of the Second Cavalry was sent for service in Montana, it was decided to take the first favorable season and opportunity to strike a decisive blow. Midwinter was the time selected, for the reason that the Indians cannot then, in an extreme northern climate, move rapidly or far without great difficulty. Major E. M. Baker, commanding the battalion of cavalry, was designated as the officer to command. Arrangements were made as secretly as possible, general instructions given, and the expedition set out from Fort Ellis on the 6th of January. Major Baker's command of cavalry was increased at Fort Shaw by a detachment of 55 mounted infantry, and one company of infantry on foot as a train guard. On the morning of the 23d of January the expedition surprised and attacked a camp of the Piegan band of Blackfeet, located on the Marias River, to the northward of Fort Benton; 173 Indians were killed, over 100 women and children and 300 horses captured. On account of insufficient stores to bring them in, the prisoners were turned loose. The horses were brought to Fort Shaw, and a large number restored to claimants who proved property, and from whom they had been stolen by the Indians. On its return, the expedition arrived at Fort Shaw on the 29th of January, and the cavalry portion returned at once to Fort Ellis, arriving there on the 6th of February, and having made a march of six hundred miles in one month of the coldest winter known in Montana for years, the thermometer indicating 40° below zero a portion of the time.

It is to be regretted that in the attack on the camp some women and children were accidentally killed, but the number was very greatly overstated in the newspaper accounts published throughout the country, emanating from unreliable sources of information in Montana. As is well known to all acquainted with Indian fighting, a certain proportion of accidental killing will always occur in affairs of this kind, especially when the attack is made in the dim light of the early morning, and when it is a necessary element of success to fire into the lodges at the outset

to drive the Indians out to an open contest. It is believed that not a single woman or child was killed by our own people outside of the lodges, although, as is also well known, a good many of the women on such occasions fight with and as well as the men. From the most reliable information I have been able to obtain, I am satisfied less than 40 of the number killed were women and children. Father Imoda, a Catholic missionary, who had been seventeen years among the Piegans, came in to Fort Shaw some time after the fight, and who stated that he knew by name every man, woman, and child that was killed, is my authority for this belief.

As much obloquy was heaped upon Major Baker, his officers and men, owing to the exaggerations and misstatements published in relation to the number of women and children killed, I think it only justice to him and his command that the truth should be fully made known to the public. Recollecting the season of the year in which the expedition was made, the terrible cold through which it marched day after day, and the spirit with which the troops engaged an enemy whom they deemed as strong as themselves, I think the command is entitled to the special commendation of the military authorities and the hearty thanks of the nation. At all events, the lesson administered to the Indians has been salutary in its effects, and highly beneficial to the interests of Montana. I predict it will be a long time before serious trouble may be again apprehended from the Blackfeet.

Early in the season considerable dissatisfaction was manifested by the Indians on the reservations of the Missouri River region, owing to the sending of troops among them, to steamboat men and other white people cutting wood from the river bank within the limits of their reservations, and other minor causes; but at present they are all quiet, as are all other Indians within the limits of the department, and I see no good reason to apprehend a change in this condition of affairs during the coming winter, if after.

Indian agents are just now commencing the annuity payments to the Indians of their respective agencies in the department. Whenever practicable, and application is made therefor, guards and escorts for funds and goods are furnished, and will continue to be until the payments are completed. All other possible facilities desired are freely extended to the agents to aid them in the speedy completion of their work. I respectfully invite attention to the inclosed reports of district commanders and of my department staff officers for a more detailed account of the administration of affairs in the command during the year.

By reference to the report of the chief quartermaster, it will be seen that much needed work for the shelter, health, and comfort of the troops has been done at the various posts, but that much also remains to be accomplished in that direction, which the operations of another season will, in a great measure, effect.

By reference to the reports of the chief commissary of subsistence, and medical director, it will be seen that full supplies appertaining to their respective branches of the service have been furnished to all the posts, or are en route to speedily arrive. The medical director's report shows the general health of the command to have been extraordinarily good during the year.

The chief paymaster reports all payments to the troops as satisfactorily and promptly made up to the present time.

The inspector general of the department is now absent on an official tour of inspection of several of the posts and agencies on the Lower

Missouri River. His report is not transmitted herewith, but will be forwarded as soon as received.

In conclusion, I believe the condition of all military and Indian affairs throughout the department is satisfactory, merits, and will receive, the commendations of the General-in-chief and the War Department.

I am, general, very respectfully,

WINF'D S. HANCOCK,

Major General United States Army, Commanding.

Brigadier General E. D. TOWNSEND,

Adjutant General U. S. Army, Washington, D. C.

REPORT OF BRIGADIER GENERAL AUGUR.

HEADQUARTERS DEPARTMENT OF THE PLATTE,

Omaha, Nebraska, October 25, 1870.

GENERAL: I have the honor to submit the following report of operations within this military department for the past year.

Subsequent to my last annual report to the close of the year, small parties of Indians were troublesome near Fort Fetterman, in the Black Hills, the Sweetwater mines, and at one or two points on the line of the Union Pacific Railroad; but as usual, when winter approached, they withdrew to the hills and rivers north. As they ordinarily remain quiet there until spring, the troops which had been in the field since early spring were drawn in to their posts for the winter. To relieve, as far as possible, the natural apprehensions of the settlers in the Sweetwater mines, a detachment of infantry was left at Miners' Delight during the winter. I referred in my last report to the desire of the Northern Arapahoes to effect a peace with the Shoshones, and to join them on their reservation on Wind River. This was accomplished during the winter, and a large portion of this band went to that reservation. Unfortunately they had with them a number of horses and some property which had been stolen the previous year, by raiding parties of Indians, from the mining settlements about the headwaters of the Sweetwater, in the vicinity of their reservation, and the belief was entertained by the settlers that these very Indians had been engaged in the raids, and suspicious and bitter feelings were cherished against them from the start. This mining district is nearer to the wintering grounds of the Northern Indians—Sioux and Cheyennes—than any other settlements, but hitherto it had been safe from their incursions until late in the season. This year proved an exceptional one, however, in this respect, and the miners were attacked by them April 2, and six men killed. The trail of the retreating murderers was followed to near the Arapaho camps, which, with other circumstances and previous suspicions, led to the belief that they were the guilty parties. A party of citizens organized and started for the Arapaho camp. Before reaching it they met a party of Arapahoes, including men, women, and children, on its way to the agency at Camp Brown for supplies. They forthwith attacked this party and killed all the men, eleven, I believe. The women and children were spared. The Arapahoes claim, and I believe truly, that they were not engaged in the raid of April 2, and that the party killed were innocent of any offense since going to the reservation. Although at a difficult season to transport supplies, two companies of the Second Cavalry were at once

ordered to this vicinity. The one from Fort Bridger was soon there; and on the occasion of the Indians repeating their raid, May 4, they were defeated and pursued, and a number killed by it, under Captain David S. Gordon, Second Cavalry. In this affair a gallant young officer, First Lieutenant C. B. Stambaugh, Second Cavalry, was killed, and a brave sergeant, Alexander Brown, Company D, Second Cavalry, badly wounded.

An additional raid was made by the Indians into this country June 26, when they drove off a number of mules and cattle, and killed three men. They were hotly pursued by the troops, but getting into the mountains finally escaped. Since this time no Indians have been there, and, as under instructions, I have established a permanent post in this country, it is believed they can be kept away hereafter and the mining capacity of the district fully developed.

Every spring, for the last five years, the frontier settlements in South-western Nebraska have been the scene of Indian depredations, and more or less of their people killed. This year I engaged to have cavalry in that vicinity as soon as the grass was in condition to subsist the animals, which is as early as Indians are likely to appear. Accordingly, on the 4th of April, Captain Edward J. Spaulding, with his company, C, Second Cavalry, left Omaha Barracks for this point. He was instructed to consult with Governor Butler, of Nebraska, who was very familiar with this frontier, and also with the principal settlers, as to the proper location for a permanent camp, from which he could best protect the entire settlement.

On the 15th of May a party of about fifty Indians made its appearance, as usual, in this vicinity. Surprised by the presence of troops, which were soon after them, they speedily dispersed. The killing of one man was all the injury done. No other Indians have been seen in this vicinity during the entire summer. The settlements have filled up and extended very sensibly in consequence.

The frontier settlement in Northwestern Nebraska had also, the last year, been the scene of Indian incursions, and, from its proximity to the reservation of the Northern Indians, is peculiarly liable to them. To prevent a recurrence of the efforts of last year, I sent, April 15, Captain James Egan, with his company, K, Second Cavalry, to establish a camp on that frontier, from which he could protect it. From this camp he has extended his scouts to near the Niobrara, and not a hostile Indian has interfered with this frontier during this year until within ten days past, when a party of Sioux came down to attack the Pawnees, whose reservation is near. A party of Sioux, going north from the Republican country some two months since, made a raid upon the friendly Pawnee reservation and drove away some of their ponies, but Captain Egan, with his command, soon dispersed them. There has been no interference with settlers.

In the month of May a farmer, residing near the Winnebago agency, was found murdered in the field where he was at work. It was thought to have been done by Indians, and eventually proved to be so—that of five professedly friendly Winnebagos, who were arrested and bound over for trial. This incident created very great alarm and anxiety among the settlers in the vicinity; and to quiet them and prevent the abandonment of the whole neighborhood, I organized and sent a detachment of mounted infantry to give a sense of security to the alarmed inhabitants. This was happily accomplished. Those who had fled in alarm returned, and the settlement was saved. This detachment was detained in the vicinity until entire confidence was restored.

The great railroad from Omaha to San Francisco, nearly two-thirds of whose line is within the limits of this Department, is not alone of interest to the concerns of this military department, nor does its interruption affect merely the traveling public and local interests. The great mails for the Pacific coast and Asia pass over it, and the overland lines of telegraph run along its track, and any interruption to the road by Indians involves also an interruption to the mail and to telegraphic communication, and the whole country, and in fact the world, is affected thereby. To preserve it intact, therefore, from Indian depredations, has been regarded by me as one of the most important objects to be accomplished by the troops in this department. Located midway between the homes of the great nation of the Sioux on the north, and the Cheyennes, Arapahoes, and other tribes on the south, its track must of necessity be crossed by the numerous parties of these nations visiting each other, and, though perhaps with no hostile intent, the mere fact that such parties are in the vicinity alarms and demoralizes employées, and embarrasses the entire management of the road. What troops have to do, then, is not only to be in position and condition to repel any actual attack upon the road, but they must be distributed in such a way as to give a sense of security to employées. The passing of Indians north and south across the road began very early in the spring, and caused a general apprehension that the road would be much annoyed by them during the coming summer. An unsuccessful attempt to destroy a freight train gave color to this apprehension, and determined me to station along its line sufficient troops to place its safety and security from Indian attacks almost beyond a question. Companies of cavalry were stationed near all the main points where Indians cross, and at some of the intermediate points, and where they could easily support each other, with detachments of infantry at all the principal stations throughout the country exposed to hostile Indians. The cavalry constantly patrolled along the line, and at distances on either side, and so effectually have the arrangements been carried out that, with the exception referred to, no interference by Indians with the road has occurred this year, and the trains over it have run with a regularity and punctuality not excelled by one railroad in the United States.

Early last spring an organization was effected by parties mostly at Cheyenne, Wyoming Territory, for the exploration and eventual settlement of the country at the eastern base of the Big Horn Mountains; it was known as the Big Horn expedition. Under the treaty concluded with the Sioux and Northern Cheyennes and Arapahoes, May 29, 1868, this country was reserved exclusively for their hunting purposes, and whites were prohibited from entering thereon. It was hoped, however, by those interested in it, that some arrangement could be made by the Government whereby this expedition could be permitted to proceed. The correspondence relative to this matter is already on file in the War Department. Eventually the Government prohibited its going into the Big Horn country, but authorized it to proceed to the Sweetwater country, provided it did not trespass on, or interfere with, Indian reservations. Before starting, its leaders executed an instrument pledging themselves to me not to enter upon any lands reserved for the use of Indians. Arriving at Sweetwater mines they proceeded, regardless of the agreement of its leaders, into the Shoshone reservation, in the direction of the Yellowstone. The Shoshones were absent, and made no remonstrance. As soon as I learned this violation of their agreement, I sent a troop of cavalry in pursuit to enforce their return. On reaching their camp, which at this time was north of the reservation,

near Grey Bull River, the officer in command found the expedition in a very disorganized condition, and on the point of dissolution, and did not deem it advisable to exercise force to accomplish what could accomplish itself in a very short time if left undisturbed. The result justified his expectations, as within but two weeks after his return the expedition broke up, part of its members returned to Sweetwater, and the remainder made their way to Montana. So far as is known here, our Indian relations have in no way been affected by this expedition, except the general good effect upon the Indians, which must always result from a faithful observance of our treaty stipulations with them.

I recently met Messrs. Brunot and Campbell, commissioners designated by the President to confer with the Northern Indians. They were on their return from Fort Laramie, where they met in council the Ogallalla Sioux, the Northern Cheyennes, and some few from other northern bands of Sioux. The commissioners were hopeful of good results from their recent interview with these Indians, whom they regarded as very desirous of peace. I found these hopeful views shared by the commanding officers of Forts Laramie and Fetterman, who had both good opportunities of judging of the dispositions of the Indians.

The recent visit of Red Cloud and other headmen to Washington has, so far as we can judge, been productive of good. With the exception of a raid upon the Pawnees a few weeks since, not a hostile Indian has been seen since Red Cloud went to Washington. If he is able to maintain the control which he seems now to have over his own and other bands, I think we may look for peace so long as he desires it. Under these circumstances I regard it as very important that the Government should assist in every way possible to render this influence permanent, and, if possible, to increase it. It is much easier to manage Indians through a responsible chief powerful enough to enforce his views, than through the irresponsible chiefs and headmen with whom we have been making treaties, and who are powerless to enforce obedience. In the interests of either peace or war, the results obtained through a controlling chief are more decided and permanent.

Two events connected with the late conference with these Indians caused dissatisfaction, both of which, I think, should have been avoided; first, meeting different bands of Indians in the same council, and having presents but for one; and, secondly, not having provided them with a small quantity of arms and ammunition, which is their great necessity. The Government does not undertake to feed these Indians, and it seems to me not unreasonable that they should expect the means of feeding themselves. Game in their country is becoming scarce, and it is almost impossible to secure it with the bow and arrow as of old, and I think it every way preferable for them to be supplied directly by Government than force them to supply themselves indirectly through smugglers, or a resort to raiding and violence. Neither is it entirely consistent to profess entire confidence in these Indians and at the same time refuse to trust them with what is so very essential to their wants. It also implies a fear of them, which is, of course, not true; but with Indians it is wisdom to avoid any course which even by implication can be construed by them as evidence of timidity.

Under orders from the War Department, through the Lieutenant General commanding this military division, a new military post has been established in this department near Provo City, Utah Territory. It has been called, with the approval of the Secretary of War, Fort Rawlins. It is on the Timpanagos River, about a mile from its mouth, about the

same distance from Provo City, and fifty miles south from Salt Lake City. It is garrisoned by two companies of the Thirteenth Infantry, commanded by Captain N. W. Osborne of that regiment. This regiment has but just arrived in this department from Montana.

On the night of September 22, the day after the men had been paid, a party of soldiers from this post went to Provo City, with permission of their commanding officer to have a supper and dance. They became, many of them, very drunk and disorderly, and behaved in a most disgraceful manner toward some of the citizens of Provo. The following day I was informed of it by telegram from the mayor of Provo City. I immediately telegraphed to Colonel P. R. de Trobriand, Thirteenth Infantry, commanding troops at Camp Douglas, Salt Lake City, to proceed immediately to Provo City and investigate and report fully upon all matters connected with this outrage. He has done so. His report is full, and accompanied with copies of affidavits of every one who could be found that knew anything of the circumstances. My judge advocate is now busy examining the evidence and preferring charges against the guilty parties, who will be brought to immediate trial before a general court-martial. The civil authorities at Provo declined to receive for trial the parties implicated in the disturbance. A copy of Colonel de Trobriand's report has been forwarded to the Adjutant General of the Army. This outrage seems to have been causeless and unpremeditated, the result of a drunken frolic, which has become the usual and recognized complement to pay-day; and I desire, respectfully, to state here that, in my opinion, after twenty-seven years of experience, most of the drunkenness among soldiers in the Army, and a large majority of desertions, is due to our system of paying the troops at long intervals of two months. Pay-day becomes an event which affords means for its own celebration, and is almost universally followed by days of drunkenness and disorder and desertions.

On the 1st of May last the Seventh Infantry left this department for Montana, Department of Dakota, to relieve the Thirteenth Infantry, which arrived in this department during the month of July, and took the posts vacated by the Seventh. The Fourteenth Infantry has also been assigned to this department and arrived here in August. The posts of the other troops in the department are substantially the same as last year.

Since April 1 most of the cavalry have been in the field and are still there. Unless events make their longer stay necessary, they will be brought in to their posts in November.

Late in the season two companies of Pawnee scouts were organized and put on duty along the railroad. They will be discharged in December.

I have, within the last few days, sent a command under Major E. A. Carr, Fifth Cavalry, into the Republican country, to see if any small bands of Indians are preparing to winter there, and in case any are found to drive them out. This command is supplied for twenty days.

I am happy to report the troops in this department in good condition in every respect, healthy, well supplied, good tone, and ready and willing for any service.

The chiefs of the various staff departments, at these headquarters, have performed their varied and important duties to my entire satisfaction.

I beg to renew my recommendation that a small arsenal for storage and repairs be established at Cheyenne, where it is much needed.

I inclose a map of the department, whereon is traced the important scouts of the year.

I am, general, very respectfully, your obedient servant,

C. C. AUGUR,

Brigadier General Commanding.

Brigadier General E. D. TOWNSEND,

Adjutant General United States Army, Washington D. C.

REPORT OF MAJOR GENERAL HALLECK.

HEADQUARTERS MILITARY DIVISION OF THE SOUTH,

Louisville, Kentucky, October 24, 1870.

GENERAL: Since my last annual report the Military Department of the Cumberland of Mississippi and of Louisiana have been discontinued; the States of West Virginia, North Carolina, and Arkansas have been transferred to other commands; and that of Texas has been added to this division. The Eighth and Fourteenth Regiments of Infantry have been taken from the division, and the troops in Texas have been added to it.

The division is now composed of the Military Departments of the South and of Texas, and contains the following troops: Four detachments of ordnance, Fourth Cavalry, Sixth Cavalry, Ninth Cavalry, Third Artillery, (ten companies,) Second Infantry, Tenth Infantry, Eleventh Infantry, Sixteenth Infantry, Eighteenth Infantry, Nineteenth Infantry, Twenty-fourth Infantry, and Twenty-fifth Infantry.

I. *Department of the South*, embracing the States of Alabama, Florida, Georgia, Kentucky, Mississippi, South Carolina, and Tennessee, commanded by Brigadier General Alfred H. Terry, United States Army, headquarters at Atlanta, Georgia.

The troops in this department consist of three detachments of ordnance, ten companies of the Third Artillery, and the Second, Sixteenth, and Eighteenth Regiments of Infantry.

By General Orders No. 1, dated Adjutant General's Office, Washington, January 4, 1870, Georgia was remanded to the condition of a military district, under Brigadier General Terry as district commander. As under this order General Terry receives his instructions direct from Washington, I have not deemed myself authorized to interfere with any use or disposition he might make in that State of the troops under his command, nor has his administration of civil affairs been in any way subject to my direction. His report, inclosed herewith, describes the general condition of his department, and the detailed operations of his troops during the past year. The condition of his command is in every respect favorable. The frequent changes of stations of the troops have added largely to the expenditures of the Quartermaster's Department, but in most cases these changes were unavoidable. The removal of the garrisons from New Orleans and Mobile was rendered necessary by the prevalence of yellow fever at those places. As there were apprehensions of difficulties between the white and colored voters at the last election in Kentucky, three additional companies were brought to this State, but the election generally passed off very quietly. There were some troubles in a few localities, but none to call for or to justify the use of military force. There have also been some fears of difficulty in Alabama at the coming election, and some additional companies have been sent to that State by direction of the War Department.

II. *Department of Texas*, embracing the States of Louisiana and Texas, commanded by Colonel J. J. Reynolds, Twenty-fifth Infantry, headquarters at Austin, Texas.

This department was created, and the State of Texas assigned to this division, by General Orders No. 35, dated Adjutant General's Office, Washington, March 31, 1870. The troops in the department consist of a detachment of ordnance, the Fourth, Sixth, and Ninth regiments of cavalry, and the Tenth, Eleventh, Nineteenth, Twenty-fourth, and Twenty-fifth regiments of infantry; all of which, except the Nineteenth Infantry, are stationed in Texas.

As soon as possible, after the formation of this new department, I visited the headquarters at Austin. Most of the troops previously stationed on the Gulf and in the southern part of the State were then en route or about moving to the northern frontier, to operate against hostile Indians. With the exception of these Indian troubles, the State was then, and has continued ever since, remarkably quiet and prosperous.

For details in regard to military movements and the distribution of troops I respectfully refer to the report of Colonel Reynolds, submitted herewith. Particular attention is called to his remarks upon the depredations of Indians from Fort Sill reservation. Measures should be taken to confine these Indians to their reservation, or to prevent them from leaving it, except under a military escort. Attention is also called to his remarks in regard to depredations committed from the Mexican side of the Rio Grande. I do not concur in his views in regard to the use of soldiers in constructing their own shelters and transporting a part, at least, of their own supplies. This is a part of the duty of a soldier, both in peace and war, and especially in time of peace. I think the orders and regulations of the War Department, in this respect, are wise and economical.

III. *General remarks.*—The discipline of the troops in the division has improved during the year, and their supplies have been abundant and satisfactory, except clothing, which is almost universally complained of. The expenses of the several supply departments have been very much diminished, and it is believed that still greater economy can be introduced by prohibiting the construction of expensive buildings at posts which will be required only for a few years, and by preventing the accumulation of supplies at places where, on the removal of the garrisons, wholly or in part, they must be sold at a sacrifice, or transported elsewhere at great expense. The loss by the deterioration of supplies so accumulated is very great.

It will be seen, by the reports of the department commanders, that but few cases have occurred where the military have been required to interfere in civil matters, except to assist revenue officers in the performance of their duties.

I respectfully repeat the recommendation of my last annual report, that military officers should not interfere in local civil difficulties, unless called out in the manner provided by law; and that requisitions of revenue officers should be accompanied by affidavits, or some other proofs, that the case comes within the provisions of the law authorizing or requiring military interference. As the practice now is, the revenue officer is the sole judge of the necessity of military guards and escorts. Moreover, a large portion of the cost of revenue seizures is now paid out of military appropriations, which expense would otherwise be deducted from the property condemned before the products of sale could

be divided between the treasury and the revenue officer who made the seizure.

Where United States marshals and assistant marshals call for military aid to execute the process of the courts, there should be an order of court authorizing such requisitions, on the ground that no proper civil *posse comitatus* could be obtained. Such restrictions on the use of military force in civil matters would, in my opinion, not only effect a large saving in military expenditures, but would relieve army officers from much of the responsibility which they are now obliged to incur in the performance of disagreeable duties, which can hardly be said to legitimately belong to the military service.

It may be proper to remark, in this place, that I have been assured by federal civil officers that the use of troops in executing judicial process and enforcing the revenue and other civil laws seems to increase rather than diminish the apparent necessity of resorting to such force in civil matters. The ill disposed become more and more exasperated at being coerced by a force which they think has been unconstitutionally employed against them, and the better disposed relax their efforts to punish local crimes on the plea that this duty now devolves on the military. Hence, in the case of a robbery or a murder, there is a call for Federal troops to arrest and guard the criminals. It is, therefore, a question well worthy of consideration whether the military, in civil matters, should not be limited to a few well-defined cases, such as riots and insurrections, which cannot be suppressed by local and State authorities.

Although no very important military operations have been carried on in the division during the past year, the industry and capacity of the department commanders have been severely taxed in executing the laws of Congress and in settling apparent conflicts of authority between military and civil officers. It is very creditable to them to be able to say that they have performed these embarrassing duties in such a manner as to receive the approval of their superiors, and to give general satisfaction to the people of the States in their respective commands.

Very respectfully, your obedient servant,

H. W. HALLECK,
Major General Commanding.

ADJUTANT GENERAL of the Army, Washington, D. C.

REPORT OF MAJOR GENERAL MEADE.

HEADQUARTERS MILITARY DIVISION OF THE ATLANTIC,
Philadelphia, Pennsylvania, October 27, 1870.

GENERAL: I have the honor to submit, for the information of the General-in-Chief, the following resume of operations in this division during the past year:

At the date of my last annual report, November 1, 1869, this division consisted of the Departments of the East, of the Lakes, and of the First Military District, (State of Virginia.)

On December 3, 1869, under the orders of the War Department, Colonel Vogdes, First Artillery, with four companies of artillery, two companies of engineers, and four companies of recruits from Governor's Island, was sent to Brooklyn, where efficient service was rendered the officers of internal revenue in maintaining the laws of the United States.

The State of Virginia being admitted to representation, General Orders No. 11, current series, from the headquarters of the Army, discontinued the First Military District and created the Department of Virginia, comprising the States of Virginia, West Virginia, and North Carolina. Subsequently, by General Orders No. 20, from headquarters of the Army, February 12, 1870, the District of Columbia was included in the Department of Virginia.

The Department of Virginia was attached to the Military Division of the Atlantic, and had at this time fifteen companies of artillery and one mounted battery and ten companies Seventeenth regiment of infantry.

By Special Orders No. 94, headquarters of the Army, April 23, 1870, the Seventeenth Infantry was directed to proceed to the Department of Dakota, and, in compliance with this order, five companies left on the 25th of April, the remaining companies leaving on the 29th of the same month.

During the month of May two companies of the Eighth Infantry were transferred by the War Department from the Department of the South to the Department of Virginia, taking post at Raleigh, North Carolina.

By General Orders No. 41, current series, from the headquarters of the Army, the Department of Virginia was directed to be discontinued from June 1; but the exigencies of the public service requiring the withdrawal of its commander, the department was, by orders from these headquarters of May 6, 1870, discontinued, and the troops therein transferred to the Department of the East.

By the same Order No. 41, headquarters of the Army, the Department of the Lakes was extended to include the northern frontier as far east as Lake Champlain. By General Orders No. 69, current series, from headquarters of the Army, the extent of this department was modified, extending it to Ogdensburg instead of Lake Champlain. General Orders No. 41 likewise relieved Brigadier General John Pope from the command of the Department of the Lakes and assigned thereto Brigadier General P. St. George Cooke. Brigadier General Cooke assumed command on May 6, 1870, Brigadier General Pope having relinquished the command on the 30th April previous.

During the latter part of May, 1870, indications pointing to an attempt to violate the neutrality laws, under instructions of the War Department requiring the military to aid the United States marshals and other civil officers in enforcing these laws, eleven companies of artillery were moved to the northern frontier, and posted at Ogdensburg, Malone, and St. Albans, where prompt and efficient services were rendered, assisting the civil officers to make arrests of persons and seizure of munitions of war. On the completion of the duties assigned them the troops returned to their former stations.

On July 2, 1870, the mounted battery F, Fifth Artillery, hitherto stationed at Washington, was moved to Fort Adams, Newport, Rhode Island.

On July 7, 1870, under the orders of the General-in-Chief, one company of artillery was moved from Fort McHenry, Maryland, to North Carolina, and on July 25, 1870, the General-in-Chief conveyed the instructions of the President of the United States that six additional companies should be sent to the State of North Carolina to aid the civil authorities in preserving the peace. In consequence of this accumulation of troops, and to secure their prompt and efficient use, the State of North Carolina, by orders from these headquarters, was temporarily made a military district, and Colonel Henry J. Hunt, Fifth Artillery, assigned to the command, with instructions to confer and cooperate with the civil

authorities, and comply with any proper requisition made for the use of the troops. Fortunately, no emergency arose requiring the troops to be employed, and on September 13, 1870, the temporary military district was discontinued, and a short time thereafter the troops were returned to their former posts.

On August 31 the post of Fort Wilkins, Michigan, was abandoned, and the commanding general Department of the Lakes authorized to transfer the garrison to Fort Wayne, Michigan.

Forts Warren, Schuyler, Tompkins, and Delaware have, at the request of the Chief of Engineers, been vacated, and their garrisons transferred to other posts in the Department of the East.

I forward herewith reports from each of the chiefs of staff departments at these headquarters, showing the operations of the several departments during the past year.

The great extent geographically of the division only permits of one tour of inspection each year by the inspector general. His reports in detail have been forwarded to the Department. It is believed the military condition of the command is good, and that the troops have been well supplied with all that the laws and regulations authorize. Complaints have been made during the past year, as heretofore, on the subject of quartering officers and men in casemates. I am myself very decidedly of the opinion that the use of casemates as quarters is neither conducive to health nor comfort, and that it would be judicious economy in all cases to build suitable quarters for the troops, whenever practicable, outside of the works, leaving the casemates to be occupied in case of necessity only; that is, during military operations.

At the present date the number of garrisoned posts in the two departments constituting the division is 44, and the total strength present for duty, 5,464 officers and men.

Very respectfully, your obedient servant,

GEO. G. MEADE,

Major General Commanding.

ADJUTANT GENERAL OF THE ARMY,

Washington, D. C.

REPORT OF BRIGADIER GENERAL E. R. S. CANBY.

HEADQUARTERS DEPARTMENT OF THE COLUMBIA,

Portland, Oregon, October 3, 1870.

SIR: I have the honor to submit for the information of the major general commanding the division, the following report of operations for the current year:

At the date of the last annual report, October 13, 1869, the troops in the department were distributed as follows: Portland, Oregon, headquarters of the department and of the Twenty-third Infantry; Fort Vancouver, Washington Territory, headquarters of the First Cavalry, detachment of ordnance, and Company D, Twenty-third Infantry; Fort Cape Disappointment, Washington Territory, Company L, Second Artillery; Fort Stevens, Oregon, Company C, Second Artillery; Fort Klamath, Oregon, Company K, Twenty-third Infantry; Camp Warren, Oregon, Company B, First Cavalry, and Companies B and I, Twenty-third Infantry; Camp Harney, Oregon, Companies F and H, First Cavalry, and Company C, Twenty-third Infantry; Camp Three Forks of the

Owyhee, Idaho, Company A, Twenty-third Infantry; Fort Boise, Idaho, Company H, Twenty-third Infantry; Fort Lapwai, Idaho, Company D, First Cavalry; Fort Colville, Washington Territory, Company G, Twenty-third Infantry; Camp on San Juan Island, Company F, Twenty-third Infantry; giving an aggregate, present and absent, of 1,429.

On the 27th of May, 1870, Fort Hall was established in pursuance of Special Orders No. 47, of March 15, 1870, from the headquarters of the Division of the Pacific, and garrisoned by Company C, Twelfth Infantry, from the Department of California. Aggregate, present and absent, 82.

On the 1st of July, 1870, pursuant to General Orders No. 41, from the headquarters of the Army, the Department of Alaska was discontinued and attached to the Department of the Columbia. At that date the troops in Alaska were distributed as follows: Sitka, Company H, Second Artillery, and Company E, Twenty-third Infantry; Fort Tongas, Company E, Second Artillery; Fort Wrangel, Company I, Second Artillery; Fort Kodiak, Company G, Second Artillery; Fort Kenai, Company F, Second Artillery. Aggregate, present and absent, for the consolidated department, on the 1st July, 1870, of 1,551.

No material changes have occurred within the department, except the transfer, April 3, 1870, of the headquarters of the First Cavalry from Fort Vancouver to Camp Warner, but the following changes have been ordered and are now in progress:

1. Company I, Second Artillery, from Fort Wrangel to Sitka; Companies F from Fort Kenai, G from Fort Kodiak, and H from Sitka, to the Presidio of San Francisco, Department of California.

2. Company E, Second Artillery, from Fort Tongas to Fort Cape Disappointment, and Company L, Second Artillery, from Fort Cape Disappointment to the Presidio of San Francisco, Department of California.

3. The headquarters of the First Cavalry from Camp Warner to Benicia Barracks, Department of California.

The posts of Forts Tongas, Wrangel, Kodiak, and Kenai, Alaska, to be broken up, (see Special Orders No. 99, and 109, Department of the Columbia, and Special Orders No. 102, Military Division of the Pacific.) When these changes are completed, the distribution of troops in the department will be as stated, with the addition of the post of Sitka, garrisoned by Company I, Second Artillery, and Company E, Twenty-third Infantry, leaving in the department three companies of artillery, four of cavalry, and eleven of infantry, with an aggregate strength of 1,224.

The force in the department has been found sufficient to meet any demand made upon it, except three or four applications from superintendents or agents of Indian Affairs, for increase of the force in their superintendencies or agencies, which could not, in the judgment of the department commander, be complied with, without incurring greater hazards of withdrawing or weakening the force at other points. It will probably be sufficient for the future if, as there is reason to hope they will, our relations with the Indians should remain in their present satisfactory condition. It has, however, reached its lowest limit, even for the present satisfactory condition of affairs, and is entirely inadequate to meet any sudden emergency, as there is no reserve force; nor are there, with perhaps two or three exceptions, any posts from which troops can be withdrawn, without such an exhibition of weakness as would invite attack; and they are so widely scattered, and the communication so difficult, that a prompt and efficient concentration is impracticable.

The exceptions above indicated are Fort Boisé, the camp at the Three Forks of the Owyhee, and Fort Colville. The necessity that determined the establishment of the two former posts has, in great measure, passed away, and I think they may safely be discontinued, and their garrisons more usefully employed elsewhere. From present information as to the disposition of the Indians, and the character of the settlers in the Spokane and Pend d'Oreille country, I am of the opinion that Fort Colville may be discontinued at an early day. The inspector general, who is now there, has been instructed to examine particularly into this question. If, however, there is any necessity for continuing this post, its garrison should be increased, as a single company would be almost useless in case of any trouble, and it is so remote that aid could only be sent to it with great difficulty and delay. In my opinion, however, no changes should be made at these posts until next spring, as the supplies for the coming winter have already been forwarded under arrangements made early in the season.

Portland, Oregon.—The headquarters of the department is at present the most central point, so far as communication and supplies are concerned. Offices for the headquarters, and storehouses for the quartermaster and subsistence department, are now provided at a monthly rental of \$480. Arrangements have been made by which everything connected with the headquarters will be concentrated in one building, with ample storage and wharf accommodation, at a rental of \$450 per month.

Fort Vancouver, Washington Territory.—This fort was established in 1849, and until February 1, 1867, was the headquarters of the department and district, and general depot for the troops serving in this State and Washington Territory. It has ample accommodations for six companies of troops, including stables for cavalry, storehouses for depot purposes, and wharf facilities for receiving and shipping supplies.

The improved facilities of communication have deprived Fort Vancouver of its importance as a receiving and distributing depot, but its central and convenient location, facilities of communication with the ocean and with the interior, and the economy with which it can be maintained, make it the most eligible point on the northwest coast for a reserve force for the department, or for the concentration, equipment, and distribution of troops, should that ever become necessary. The present value of this property is about \$1,000,000, and in view of this fact and its possible future value to the country in the contingency above suggested, I do not concur in the opinion expressed by my predecessor in this command that it should be abandoned and sold. The buildings are now greatly out of repair, but if suitably garrisoned, it could be kept in good condition at comparatively little expense, as the necessary labor would be performed by the troops. The cost of the subsistence ration at Fort Vancouver is 21.72 cents, and of the forage ration, 22 cents.

Fort Stevens, Oregon, and Fort Cape Disappointment, Washington Territory.—These posts are permanent works, established for the defense of the mouth of the Columbia River. The armament of the former consists of three 8-inch, seventeen 10-inch, and one 15-inch Rodman guns and five 200-pounder Parrott guns, mounted, and eight 10-inch Rodman guns not yet mounted. Of the latter, two 8-inch, fifteen 10-inch, and one 15-inch Rodman guns, and two 300-pounder Parrott guns. These posts were inspected on the 18th and 20th of June, and found to be in good condition and well supplied. Supplies affected by dampness are furnished every three months. The means of communication are convenient and uninterrupted. The cost of the subsistence ration is 25.79 cents, and of

the forage ration 37.90 cents, for both posts. At Fort Stevens a new wharf, the estimate for which was approved by the War Department July 28, 1870, is now being constructed and will probably be completed by the 1st of January next.

Fort Klamath, Oregon, is conveniently located, and subserves very well the purpose for which it was established, and thus far its garrison has been found sufficient. There have been, however, some indications of discontent and trouble among the Indians assigned to that reservation, growing out of the want of food and the alleged hostility of the Klamath Indians, who regard the others as intruders, and refuse to allow them to hunt or fish upon their lands. Should these difficulties become aggravated or assume the complexion of hostility to the whites, it may be necessary to strengthen the garrison. The post is supplied from or by the way of Portland. The distance by land is three hundred and ninety miles, and the cost of land transportation is 5.25 cents per pound. Fuel, hay, and straw are procured by the labor of the troops. Grain is hauled about ninety miles. Flour is procured at Jacksonville, and smoked meats from the same place, ninety-five miles distant. Salt meat from Portland. The cost of the subsistence ration is 28 cents, and that of the forage ration 57.38 cents. The post was last inspected on the 8th and 9th of July, 1870, and found to be in good condition.

Camps Harney and Warner are located in an elevated basin of limited extent, and were established for the purpose of controlling the Indians who, prior to July 1868, were engaged in hostilities against the whites. Their position, in relation to that object and to each other, is so important that they cannot be dispensed with, or their garrisons materially reduced, until after the friendly disposition of the Indians who frequent this basin has proved to be permanent. Both posts are supplied by the way of the Columbia River to the Dalles, and thence by land. The distance from the Dalles to Camp Harney is two hundred and fifty-five miles, and to Camp Warner four hundred and forty. The average cost of water transportation to the Dalles is 1 cent per pound, and from the Dalles to Camp Harney 4.93 cents, and to Camp Warner 5.95 cents per pound. The communication between the Dalles and the basin is interrupted during the winter, and supplies for these posts should cross the Blue Mountains by the middle of November. Communication between Camps Harney and Warner and Fort Bidwell, although sometimes difficult, is not wholly interrupted during the winter, and military operations may be carried on in the basin during that season. Fuel, forage, and straw can be procured in the vicinity of both posts, except, that at Camp Harney grain must be hauled about eighty miles. Flour is procured from Grande Ronde and Surprise Valleys, respectively, and salted meat from Portland and San Francisco. The cost of the subsistence ration at Camp Harney is 24.04 cents, and of the forage ration 57.62 cents; at Camp Warner 23.58 and 68.80 cents, respectively. Camp Harney was inspected by the department commander on the 23d of May, and Camp Warner on the 1st of June, 1870. At Camp Harney one set of officers' quarters, the estimates for which were approved by the War Department, are in process of construction and will be completed before the winter sets in.

Camp Three Forks of the Owyhee.—This post is considered unnecessary and its abandonment early next season is recommended. The troops are comfortably established, and supplies for the ensuing winter have already been forwarded under arrangements made early in the season, and it would cost heavily to bring them back. The post is supplied by way of the Columbia River to Umatilla, and thence by land. The dis-

tance from Portland to Wallula is two hundred and forty miles, and from Wallula to the camp by land three hundred miles. The average of the cost of water transportation is $1\frac{1}{2}$ cent per pound; of land transportation from Wallula 4.95 cents per pound. Fuel and forage are procured in the neighborhood of the post. Flour is procured from Boise Valley, and salted meat from Portland. The cost of the subsistence ration is 27.70 cents, and of the forage ration 74.07 cents. The post was inspected by the department commander on the 4th of June, 1870.

Fort Boise.—This post is considered unnecessary and its abandonment next spring is also recommended. There is at this post a considerable accumulation of public property, and arrangements have been made to have it inspected, and such of it as is of sufficient value brought down by the contractors' return trains. The post is supplied by way of the Columbia River to Umatilla, and thence by land. The distance from Umatilla is two hundred and fifty miles. The average cost of water transportation is $1\frac{1}{2}$ cent per pound, and of land transportation from Umatilla 4.67 cents per pound. Fuel, forage, and straw can be procured in the vicinity of the post. Flour is procured from Boise Valley; salted meats from Portland. The cost of the subsistence ration is 32.88 cents, and of the forage ration 48.25 cents. The post was inspected by the department commander on the 14th of June, 1870.

Fort Hall, Idaho, was established at the request of the Department of the Interior, for the purpose of aiding in the supervision and control of the Indians on the Bannock and Shoshone reservation. The immediate site was selected by the inspector general of the department, and appears to be well adapted to the purpose for which it was established, and to satisfy the considerations of convenience to wood, water, and grazing. It is supplied by way of Corinne on the Central Pacific Railroad, from which it is distant one hundred and twenty-four miles. The average cost of transportation from that point to the post is 2 cents per pound. Quartermaster's and subsistence supplies for the current year were furnished from the Department of California; funds and means of transportation required for building purposes, from this department. Authority to erect temporary buildings and to purchase the necessary building materials was given on the 11th of May. Plans and estimates for the permanent buildings were forwarded through division headquarters on the 22d of August last. The cost of the subsistence ration and of the forage ration is unknown.

Fort Lapwai, Idaho, appears to meet fully the purposes for which it was established. It is usually supplied by way of the Columbia and Snake Rivers to Lewiston, and thence by land seventeen miles. The average cost of transportation from Portland by way of Lewiston to the post is $2\frac{3}{4}$ cents per pound. By some oversight the supplies for this year did not reach Wallula until the season of high water had passed, and they were sent overland at an increased cost of 1 cent per pound. Precautions will be taken to prevent a recurrence of this error. Forage is procured in the neighborhood of the post. Flour is procured from the immediate vicinity, and salted meats from Portland. The cost of the subsistence ration is 24.37 cents, and of the forage ration 44.14 cents. The Indians in the neighborhood of this post are friendly and well disposed, and so far as they are concerned, there appears to be no necessity for continuing it, but as the troops are comfortably established, can be maintained at comparatively small cost, and as the presence of a cavalry force in that section of the country is a proper precaution, no

change is recommended. The post was last inspected April 30, and found to be in excellent condition.

Fort Colville, Washington Territory.—The greater part of the Indians in the neighborhood of this post are farmers, and many of them have intermarried with the whites or half-breeds of our own country, or of the neighboring British territory. They are entirely friendly and well disposed. The post is supplied by way of the Columbia River to Umatilla, and thence by land two hundred and seventy-one miles. The average cost of water transportation from Portland to Umatilla is $1\frac{1}{2}$ cent per pound, and from Umatilla to the post, by land, about 3 cents per pound. Fuel, forage, and straw are procured in the vicinity of the post. Flour is procured from Colville Valley, and salted meats from Portland. The cost of the subsistence ration is 27.35 cents, and of the forage ration 47.97 cents. The inspector general is now absent for the purpose of inspecting this post and Fort Lapwai.

Camp San Juan Island.—The only necessity for continuing this post grows out of the obligation imposed by the convention between the Governments of the United States and of Great Britain, for a joint occupancy pending the settlement of the boundary question, under the treaty of 1846. The relations between the United States and English authorities on the island are entirely frank and cordial, and no disturbing questions are anticipated. The post is supplied from San Francisco. The distance (by water) is nine hundred and fifty miles. The cost of transportation is not known. The cost of the subsistence ration is 29.73 cents, and of the forage ration 39 cents. Forage and fuel may be obtained on the island. The post was last inspected on the 23d and 24th of August, 1870, and was found to be in good condition, except the barrack accommodations for the troops, which are insufficient and unfit, and should be replaced if the post is continued for another year. The harbor is very good, but in consequence of the want of a wharf, stores can only be landed or taken off in lighters and at high water.

Nitka.—This will be the only post in Alaska after the changes already ordered have been completed. Its location does not, in my judgment, meet the conditions which should be found at so distant and important a post, and until the questions connected with this subject have been determined, it is considered proper to limit the expenditures to such as are indispensably necessary for the health and comfort of the troops. This post has heretofore been supplied from San Francisco. A full report upon the subject of Alaska is in preparation, but cannot be completed until after the receipt of further information, which is expected by the mail steamers and by the Newbern. For details of operations in the late department reference is made to the report of its commander, Colonel J. C. Davis, Twenty-third Infantry, a copy of which is transmitted herewith.

POSTS NOT OCCUPIED.

Fort Walla-Walla, Washington Territory.—There are at and connected with this post three reservations: 1st, the post and mill reservation of 640 acres; 2d, the hay reservation, eight miles from the post, 640 acres; and, 3d, the wood reservation, seven miles from the post, and also of 640 acres; making a total of 1,920 acres. The post has accommodations for six companies and the buildings are in comparatively good condition. Since its abandonment as a garrison it has been used as a depot for wintering public animals. The necessity that determined its establishment has long since passed away, and its location, with reference to the present lines of communication, is too inconvenient to warrant its being

kept up simply as a depot. It is in the center of one of the most populous and thriving counties of Washington Territory, with but little prospect of its ever being required for military purposes. For these reasons it is recommended that the hay and wood reservation be subdivided into lots of 40 acres, and the post reservation into such smaller subdivisions as may be found most convenient and advantageous, and sold at public auction, after such notice as will invite the fullest competition.

Fort Townshend, Washington Territory.—The reservation at this point is 640 acres, and the buildings are so much decayed that they are of comparatively little value. The site of the post is immediately in front of the best harbor in Port Townshend Bay, (Admiralty Inlet,) and although there is no present necessity for troops at that point, its prospective military value, growing out of its proximity to the frontier and the facilities of communication in all directions, is so great that it should be retained.

Fort Dalles, Oregon.—This post has not been garrisoned since June 1867, but has been used as a depot for the transshipment of supplies to interior posts and for public animals awaiting distribution. Some of the buildings have been destroyed by fire, and the others, with the exception of the storehouses and stables, are of but little value. The post has no military importance, and it is probable that after another year, with increased facilities of communication, it may be dispensed with altogether.

The accompanying reports exhibit the operations of the several staff departments during the past year.

Very respectfully, sir, your obedient servant,

E. R. S. CANBY,

Brigadier General Commanding Department.

ASSISTANT ADJUTANT GENERAL,

Headquarters Military Division of the Pacific,

San Francisco, California.

REPORT OF THE INSPECTOR GENERAL.

HEADQUARTERS ARMY OF THE UNITED STATES,

INSPECTOR GENERAL'S OFFICE,

Washington, October 14, 1870.

SIR: Since my last annual report was made the stations and employment of the Inspectors General and of the Assistant Inspectors General have been as follows, viz:

I have been on duty at the headquarters of the army, in charge of the Inspector General's Office in the War Department, engaged in supervising the inspection branch of the service. All inspection reports are required to be transmitted to this office through the Department, division, and army headquarters, with the action that has been taken by each commander for the rectification of such irregularities or violations of regulations or law as have been disclosed, indorsed thereon. These reports have been carefully examined by me, and extracts taken from them of all matters that should be brought to the notice of the authorities at the headquarters of the army, and they have been referred to the proper officers for their information and action. The reports have then been filed away in this office, where ready reference can be had to them at all times. All inventory and inspection blanks for the inspection and dis-

position of damaged public property have been supplied to every branch of the service from this office.

During the month of September I made an inspection of the military posts upon the lakes.

Inspector General D. B. Sacket has been on duty during the year at the headquarters Military Division of the Atlantic, and has, during the period, made a thorough and careful inspection of all the posts garrisoned by troops of the line within the limits of the division. In compliance with instructions from the Hon. Secretary of War, this officer was assigned to special duty in the State Department from the 10th November to the 10th December, 1869. Beside this, Colonel Sacket has made inspections of the different department headquarters, and has been continually occupied in important duties, which he has performed faithfully.

Inspector General Edmund Schriver has been continuously on duty during the year in the War Department, to which he was reassigned by General Orders No. 34, Adjutant General's Office, series of 1869. His service has been near the Secretary of War, in the capacity of staff officer, and also as inspector of the Military Academy, having the supervision and charge of the same at the War Department. He has made two thorough inspections of the institution and post of West Point during the year, and his reports of the same are in preparation for the Secretary of War.

Inspector General James A. Hardie has been on duty during the year at the headquarters Military Division of the Missouri, and has been continually engaged in making inspections, investigations, and other important duties, under the orders of the Lieutenant General commanding, until September 5, 1870, when he was sent to Montana, where he now is, examining the Montana Indian war claims of 1867, under instructions of the Secretary of War.

Assistant Inspector General Nelson H. Davis has been continued on duty under the orders of the commander of the Department of the Missouri, and has been busily and laboriously occupied during the greater part of the year in making inspections and investigations throughout that extended department.

Assistant Inspector General James Totten was acting under the orders of the commander of the Military Division of the South, until he was brought to trial by a general court-martial and dismissed the service by General Court-martial Orders No. 41, current series.

Assistant Inspector General Roger Jones, with the exception of sixty days when he was on leave of absence, has continued on duty at the headquarters Military Division of the Pacific, and has been actively occupied during the year in making inspections, investigations, and in other important duties under the orders of the division commander.

Assistant Inspector General Absalom Baird has continued on duty at the headquarters Department of Dakota, and has been engaged in making inspections, investigations, and in other important duties under the orders of the department commander during the greater part of the year.

Assistant Inspector General E. H. Ludington remained on duty at the headquarters Military Division of the Pacific until November 16, when, in compliance with orders from the headquarters of the Army, he was transferred to the headquarters Department of the Columbia, where he has remained ever since. His monthly reports show him to have been occupied during the year in making inspections, and in other duties under instructions from the commander of the department, but

none of his inspection reports have been received at this office up to this date.

Seven lieutenant colonels, six majors, and five captains have from time to time been detailed to act as Assistant Inspectors General in organizations where the number of regular inspectors was not sufficient to supply them.

The reports of inspections made during the last twelve months indicate a marked improvement in the military status of troops. Discipline has been better enforced. Drills and other military exercises have been more thoroughly and regularly practiced, military records more correctly and uniformly kept, police and other sanitary measures better attended to.

Officers performing the duties of quartermasters and commissaries appear more familiar with, and attentive to, their duties; their reports and returns have been more promptly rendered and properly kept, and public property has been more carefully stored and looked after.

Complaints have been very generally made by the troops of the poor quality of some of the articles of clothing issued to them, and especially of the blankets, coats, and trousers. The blankets are certainly of a very inferior quality, and there appears to have been but little or no care taken to assort and send the same shade of blue coats or trousers to particular companies; indeed, it is not uncommon to see five or six different shades of color in the coats, and also in the trousers, of the same company. The quality of the cloth varies as much as the color.

As there is a large amount of clothing still on hand which was purchased during the rebellion, it is certainly an important measure of economy that it should be issued to the troops; but proper care should be taken at the clothing depot to have uniformity in the shades of colors sent to particular companies; and justice to enlisted men would seem to dictate that when this clothing is below a proper standard in quality, there should be a corresponding reduction in the prices charged for it. It is true there has been a material diminution in the prices of clothing in the last list published; but whether this is sufficient to prevent the soldier from purchasing cheaper of speculators who have obtained clothing from the large surplus of serviceable clothing that has been disposed of in market at low rates, I am unable to say. If the soldier can purchase uniform clothing from an individual at half the price he is charged by the Government, he will of course do so, and the Government will be the loser of 50 per cent. on the transaction. This I am credibly informed has often been done.

The existing system of keeping and selling soldiers' clothing accounts, as prescribed by the regulations of 1863, is, in my judgment, defective, for the reason that under it frauds can easily be perpetrated; and I see no possible means, either in the Quartermaster General's Office or Auditor's Office, for detecting them. As the soldier receives no money until his discharge, for clothing that he is entitled to but does not draw, his account has to be carried along upon the clothing-book from year to year, and as the money value only is entered upon this book without a specification of the articles, as was formerly done, it is not probable that many soldiers would be able, at the expiration of their terms of enlistment, to determine whether this account has been kept correctly or not; and if a dishonest officer were so disposed he might charge a much larger amount than had actually been issued.

Inspector General Sacket has suggested a method of remedying this evil, which, if adopted, will render it very difficult to defraud the Government or do injustice to the soldier. It is herewith inclosed and marked

"Clothing accountability." Under this system, the soldier receiving his money every pay-day for clothing not drawn, would be likely to ascertain whether the account was correct or not.

Recruits not unfrequently draw their full allowance of clothing and desert immediately after the next payment—the Government losing their pay and clothing. Under the system suggested, the value of the clothing would be saved.

Colonel Sacket reports that all squatters and citizens have been removed from the military reservations in the Division of the Atlantic, with the exception of those at Forts Delaware and Porter.

R. B. MARCY,
Inspector General.

Brigadier General E. D. TOWNSEND,
Adjutant General United States Army.

REPORT OF THE JUDGE ADVOCATE GENERAL.

WAR DEPARTMENT,
Bureau of Military Justice, October 1, 1870.

SIR: In accordance with your direction of the 24th ultimo, communicated through the Adjutant General, I have the honor to submit the following report of the business of this Bureau during the past twelve months, or since the date of my last official report:

1. Number of records of military courts received, revised and registered, 15,956, (being about 1,000 in excess of last year.)

2. Number of reports made in regard to court-martial proceedings, upon applications for the remission of sentences, upon claims against the War Department, and upon the miscellaneous questions of law referred for the opinion of the Bureau, 1,009.

3. Abstracts of proceedings of trials furnished the Second Auditor of the Treasury and other officials, 1,073.

The additional work, heretofore imposed upon the Bureau, of systematically arranging and indexing the voluminous state papers formerly filed in the offices of the late Colonel L. C. Turner, judge advocate, and Brigadier General L. C. Baker, provost marshal, has been steadily in progress during the year; but, owing to the great mass and variety of the documents, and the small clerical force allowed to be employed by the Bureau, this work, though far advanced, will probably require another year for its completion. The officers, clerks, and messengers, attached to the Bureau, have performed their duties to my satisfaction; and from the commanders of the military departments I have no other than favorable reports of the services of the several judge advocates of the Army on staff duty.

Respectfully submitted.

J. HOLT,
Judge Advocate General.

Hon. W. W. BELKNAP,
Secretary of War.

REPORT OF THE CHIEF SIGNAL OFFICER.

WAR DEPARTMENT,
OFFICE OF THE CHIEF SIGNAL OFFICER,
Washington, D. C., October 20, 1870.

SIR: The plans previously inaugurated for the instruction of the Army in military signaling, and for supplying it with the necessary signal apparatus, have been pursued during the past year. The design of giving to all officers, as rapidly as an opportunity permitted, sufficient knowledge of the signal service to enable them to avail themselves of it, for the benefit of their commands or the service in general, whenever occasion should present itself, has seemed to be appreciated by officers of every grade; and the work of instruction has been rendered proportionately easy.

The instruction, under the direction of this office, has been actively carried on in five of the ten military departments, and in three others (Departments of the East, of the Lakes, and of Texas) some progress, it is believed, has been made toward the same end, although the department commanders have not had the opportunity of availing themselves of the plans of tuition arranged by this office. In the remaining two departments (Arizona and Columbia) instruction is still unprovided for.

The plan of this office has been to supply each department with one acting signal officer, (a selected line officer, carefully and thoroughly taught the duties of the signal service at the school of instruction at Fort Whipple, Virginia,) who should, through the assistance of district instructors, carry the instruction to at least one officer and two enlisted men at each post in the department, these to be in turn instructors at the posts, and also to supply each post with two complete sets of signal equipments. The operation of this plan, or modifications of it, has resulted in the proper tuition of one hundred and ninety (190) officers and three hundred and twenty-one (321) men at seventy-six (76) posts, and the partial instruction of one hundred and fifty-five (155) officers and three hundred and fifty-one (351) enlisted men at twenty-four (24) additional posts. One hundred and fifty-five (155) of the two hundred and twenty (220) posts have been supplied with signal equipments. During the ensuing year the necessary instruction may be carried to the remaining one hundred and twenty (120) posts, and the sixty-five (65) posts still needing equipments be supplied therewith. (Paper 1.)

Methods of perpetuating and of extending the knowledge of the signal service, already imparted, have been recommended by this office to the department commanders, and generally adopted. In furtherance of this object, a printed "Manual of Signal Service Drills" has been issued to the posts. The knowledge of the service already acquired has been put to practical use in the establishment of signal lines of communication between the forts in the harbors of New York, of Boston, and of San Francisco. This office is informed by reports that stations for observation and communication have also been established in the Indian country to warn posts, emigrant parties, and others of the approach of hostile Indians.

The usual course of instruction and practice in the duties of the signal service has been had at the United States Military Academy during the year; Captain Peter S. Michie, United States Engineers, being the instructor, and Lieutenant J. P. Story, acting signal officer, his assistant. The yearly exhibition drills of the cadets in the uses of the flag and torch, and of the field electric telegraph, took place before the Board of Visitors and the Secretary of War; and field telegraphic lines were erected and properly worked as part of the regular drills during the

annual encampment. The course has been conducted with commendable thoroughness.

Attention is respectfully invited to the propriety of a regulation which shall place the course under the charge of an instructor as a specialty, and which shall give proficiency in this branch a value affecting the merit and general standing of the cadet, precisely as is given in other studies of the academic course. The changes in a service so constantly developing as the signal service has been, have made it difficult hitherto to define exactly the lessons for classes. This difficulty is disappearing, and the course may now be arranged with as much of precision, perhaps, as for any other study. The Academy continues to be supplied with such improved signal apparatus and equipments for the field telegraphic trains as have been adopted for use by this office.

In view of the plan of giving all officers of the Army some practical knowledge of the signal service, it seems proper to refer to the following recommendation in reference to the artillery school of practice at Fortress Monroe, and the school of practice for engineers at Willett's Point, New York Harbor, as submitted in the last annual report of this office:

The schools of practice afford an opportunity for reaching officers there gathered for instruction, and to be afterward scattered throughout the service. It is respectfully recommended that the temporary services of a suitably-instructed officer from those who have passed the full course of instruction and practice of acting signal officers, or of one designated from the school to be instructed, be authorized for each of the schools of practice, and that they be supplied with the apparatus and equipments necessary for such parts of the course as can properly be taught at either.

The post of Fort Whipple, Virginia, has been maintained during the past year as a school of instruction and practice in the duties of the signal service, at which such officers of the Army and Navy as might be designated for instructors in this branch of military duty, in their respective services, may themselves first receive a thorough knowledge of it. It has been an object also to maintain a nucleus for the service capable of being expanded upon any emergency. The equipments of the school for field practice have consisted of one section of a field telegraph train, complete in its appointments, eight telegraphic instruments and batteries, and the necessary testing apparatus for the instruction-rooms, and the requisite sets of signal equipments for day and night signaling. The theoretical instruction comprehends the study of the Army Manual of Signals, the Cipher Manual, and text-books of practical telegraphy, and discourses, together with oral instructions by the instructor. An inspection of the school on the 19th of March, 1870, by the Honorable Secretary of War, resulted in his expressed satisfaction with its management, and the authorization to increase the strength of the signal service detachment there stationed to the minimum of a company, to appoint the necessary non-commissioned officers for the detachment, and to erect such temporary structures as were necessary to increase the efficiency of the school and promote the comfort of the command. During the year thirty-eight (38) officers have been under instruction at the school, (Paper A,) thirty-one (31) of whom belonged to the Navy, four (4) to the Army, and three (3) to the Marine Corps. Of these, thirty (30) completed the full course of instruction, and were declared competent as acting signal officers and instructors. Of the officers of the Navy instructed, twenty-three (23) have been assigned to vessels of the Navy now in service, to diffuse, as instructors in their turn, a knowledge of the signal service throughout the Navy, and to so provide for the thorough coöperation of the land and naval forces whenever occasion may require. The officers of marines instructed have been in charge of similar instruction given in the Corps of Marines. Of the Army officers

who passed the course, two (2) have been assigned to duty as instructors, one (1) as assistant in this office, and the other temporarily as officer in charge of the signal service detachment. In addition to the officers instructed in the school, forty-one (41) observer sergeants, intended for assignment in the division of telegrams and reports for the benefit of commerce, have received, within the year, the theoretical and practical instruction necessary to fit them for their duties. In the pressure of other duties, the experimental practice usually had at this school, for the improvement of the signal and military telegraphic apparatus, had been, to a great extent, suspended. The established drills have, however, been continued and improved. It is hoped that facilities may be given to provide, during the ensuing year, a field telegraph train, as a model, as perfect in all its parts as ingenuity and experiment can make it.

As in preceding years, this office has received several applications from foreign powers evidencing their interest in the service under its charge, and has responded as authorized by the honorable Secretary of War. The attention of the North German and Austrian governments seems to have been especially attracted to this division of our service, and communications have been had with officers representing them in reference to it.

In the revision of the labors of the past year, the Chief Signal Officer refers with some satisfaction to the list of officers of the Army and Navy instructed under the supervision of this office. The progress of the service has been, perhaps, as rapid as could be expected, with the many obstructions arising from the unusual vicissitudes of the Army and the uncertainties and delays incident to the constant changes it has undergone. A general knowledge of the duties of the signal service has been extended, as was planned, throughout the military and naval services of the United States. There are few officers of either now so ignorant of its uses as to be unable to avail themselves of it, either by their own skill or the skill of others, in occasions to arise hereafter. The school of practice established at Fort Whipple, Virginia, secures the knowledge already had by experience, and enables it to be improved for the future. The signal services of the Army and Navy are in complete accord, and provision seems to have been had by the War and Navy Departments to secure a coöperation of the respective arms, so far as ready intercommunication is concerned, more perfect than has hitherto existed. No material changes suggest themselves as at this time to be recommended. The duties of the office have been greatly increased since the date of the last annual report by the addition of those pertaining to the division of telegrams and reports for the benefit of commerce. The engrossing character of these duties, the brief time in which it has seemed desirable they should be pressed to results, and the fact that they have been accomplished so far without material addition to the force, and with no change in the organization of the office, are to be considered in any estimate of its labors.

DIVISION OF TELEGRAMS AND REPORTS FOR THE BENEFIT OF COMMERCE.

On February 9, 1870, a joint resolution as follows—

PUBLIC RESOLUTION No. 9.

JOINT RESOLUTION to authorize the Secretary of War to provide for taking meteorological observations at the military stations and at other points in the interior of the continent, and for giving notice on the northern lakes and seaboard of the approach and force of storms.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of War be, and he hereby is, authorized and

required to provide for taking meteorological observations at the military stations in the interior of the continent, and at other points in the States and Territories of the United States, and for giving notice on the northern lakes and on the seacoast, by magnetic telegraph and marine signals, of the approach and force of storms—

which had been passed, without dissent, by both Houses of Congress, became, by the approval of the President, a law. The Chief Signal Officer of the Army was charged, by letter of the Honorable Secretary of War, dated February 28, 1870, and in General Orders No. 29, dated Headquarters of the Army, Adjutant General's Office, March 15, 1870, (copy herewith, Paper A².) with the immediate supervision of the service. The duty thus imposed upon the Department was one for which the popular mind had been in some degree prepared by the recorded labors and the theories of meteorologists, and by detached efforts, made at different times to accomplish the ends in view, but without fixed organizations and with necessarily contracted plans. The undertaking, upon a scale of such magnitude as that provided by the law, had not been generally contemplated even in this country.

The precedents which some experience had established in other countries were hardly in any way applicable in our own, and the problem presented this office was to provide in the United States for a novel duty to be performed by a new organization and under rules which, to a great extent, must be at once invented for and proven by actual practice. The general interest evidenced, and the acts of scientific men exhibited, an expectation of results, which none better knew than the experienced physicists consulted, must be sparingly promised. The service was capable of an indefinite extension. The benefits to be had, if fair success could be obtained, were vast and lasting. It was not a subject for trivial contemplation, a duty which should stretch its branches from the northern coast of Maine along the coast on the Atlantic and the Gulf coasts, thence over the thousands of miles of the States and Territories to the Pacific, and along its coasts together with the added other thousands of miles of coast line of the northern lakes and navigable rivers. It was a work to be entered upon with a sense of grave responsibility.

The course pursued by this office has been so constantly in each of its steps before the Secretary of War, that a minute recital is not needed here. The plans of execution first suggested by the Act are set forth in the accompanying memorandum, (Paper B.) In establishing these plans the subjects to be considered have been, 1st, the character of the meteorological observations to be made; 2d, by whom they should be made; 3d, at what places; 4th, in what form they should be reported; 5th, how frequently; 6th, to what places reports should be sent, and what reports be sent to each; 7th, the necessary arrangements for telegraphing the reports; 8th, the mode of publication; 9th, the extent to be given the duty to meet the intent of the law.

A careful examination of European forms and consultation with experienced physicists in the United States, readily determined the substance of the meteorological observations and reports to be at the outset at least of the character of Form 4, herewith. These observations and reports will of themselves form a valuable record. They may vary with experience, and additional facts may be made the subject of observation as scientific inquiry suggests them.

The daily reports made from the different stations are intended solely for telegraphic transmission. It became at once a subject of inquiry how they could be made briefly and placed in a style most compact. Forms Nos. 1 and 5 exhibit the method adopted, and explain the meanings conveyed by the cipher.

It is estimated that the intelligence conveyed in a "twenty-word report" could not be written in full with the use of less than sixty words. The translation of a ten-word report requires thirty words.

These cipher forms are so devised that, if hundreds of them are thrown heaped together, any of them, selected at random, will give each the name of the station from which it is sent, the date and time, in addition to the weather report it contains. Improvements in this cipher are about to be adopted.

The regular telegraphic reports are to be made on the forms, thrice daily, at the times given in the memorandum. A system to be satisfactory to this office would permit no interval longer than eight hours to elapse between reports. It would be rare that a storm of magnitude would progress more than three hundred miles in that period of time. Considerations of economy, and the fact that the telegraphic wires are so thronged as not to permit their use, at hours other than those given, has influenced the selection of times. The reports being habitual and regular, it is hoped that, with a proper arrangement of stations of observation, no great atmospheric disturbance existing, either as premonitory to, or as part of, a storm will be so rapidly progressed in the intervals between reports as to prevent the tracing of its course, or to permit it to be in advance of the report which should give warning of it.

It is aimed to cover the Lakes, the Atlantic coasts, and those of the Gulf, by stations of observation outlying many hundreds of miles toward the course of ordinary storms, and from which the telegrams will outstrip the storm by some hours of time. Arrangements are made that the observations shall be simultaneously had at the same moment of time throughout the whole system of stations, and the movement of the reports upon the telegraphic wires will be as nearly synchronous as it can be made. The result will be to give thrice daily a synoptic view of the atmospheric condition over a greater portion of the States and Territories of the United States. It will, it is hoped, enable the atmospheric condition reported at any one station to be followed in its progress, if it does progress, from place to place, by report following report, until it is changed or ceases to be observed. It is not of record that any system of synchronous reports has been hitherto established upon a scale of similar magnitude.

Table A gives, in a tabulated form, the names of cities and ports to which, in the contemplated plans for the year, regular weather reports are to be sent, together with the points reporting to each. The distribution of reports has been thus planned with a view of giving each port intelligence, from those stations which lie, in reference to that port, in the track of coming storms. The table is given as rather sketching out the plans at this stage of the duty, that they may be understood, and exhibiting the manner in which they are commenced, than with any idea of offering them as completed.

The places or stations at which the observations are to be primarily made, and whence reports are to be had, and which have been of course to be fixed by the study of the geographical relations of the points to each other and to what was known of the general course of storms, and by their situation in reference to the facilities for the necessary telegraphic communication have been, after consultation with some of the best meteorologists in the United States, fixed as given in this table. The stations of observation may be changed in location or number, as knowledge of the needs of the service and facilities for its discharge are increased. The stations will be of two classes: 1st, stations of observation and report, or those at which observations are made and thence

reported, and to which also reports of observations elsewhere made are forwarded; 2d, stations of report alone, or those at which observations elsewhere made are reported.

It has been assumed that the places now designated are sufficient in number and suited in location to fully comply for this year with the intention of Congress. When thorough trial and benefits proven shall have shown the value of the service, the plans are already fixed for its extension, and new stations and their communications can be multiplied. The points already chosen give the work that general character the law has called for. They are enough to permit the placing of posts of observation in the course of most storms, nor can any section justly complain that there has been failure on the part of the Department to provide for its interest as fully as the limited appropriation in its control has permitted.

A number of stations are now occupied. In view of the dangers of fall navigation it was determined to provide for the lake section of stations at the earliest moment practicable, and, on October 10th, orders were issued to twenty-five (25) observer sergeants to take post, one at each of the following-named stations: Washington, New York City, Boston, Chicago, St. Louis, Cincinnati, New Orleans, Nashville, Mobile, Montgomery, Augusta, (Georgia,) Buffalo, Rochester, Oswego, Cleveland, Toledo, Detroit, Milwaukee, St. Paul, Du Luth, Omaha, Cheyenne, Pittsburg, Key West, and Lake City. (Paper 2.)

The observers had reported at their posts by the 16th of October. This office has been advised by the telegraph companies that they will be able to commence the regular transmission of reports on November 1, 1870.

To provide the observers at the different stations has been a subject of anxious consideration. The observations to be made and the reports to be rendered were of an official character, and needed the stamp of official exactness. The observers must be responsible for instruments; for reports; for the regularity and promptness in making reports. They must be under strict control. The labors of amateur meteorologists, however fascinating and however much of value for statistical information, would be useless where rapidity and discipline were required. The labors of irregular employes, wholly irresponsible, who would be willing to supplement a scanty pay for other employment more engrossing to them, by such an allowance as could be offered for a partial attention to a duty like this, would be still more unsatisfactory. The duties most often be at military posts. They are exact and unceasing. The display of signals, when that shall be reached, would need to be by authority. Nor was there any portion of the work which could be safely cared for without rigid inspection and control. The law in its scope seemed to require that competent men should make such careful observations and report them under such rules that they might stand safely as standard. In some instances of foreign experience the excellence of meteorological reports, made by non-commissioned officers of the British army, had attracted attention. To those who know the material had for warrant officers in the service of the United States during the rebellion, and have seen the graduates of our highest universities carrying the musket, it would easily suggest itself that perhaps better men could be had for the military service to do the duties proposed, in the United States, than in any other country in the world. The attempt was made to secure such men, and was successful. By the exercise of the powers confided to the Secretary of War, the privilege of enlisting was made a subject for competition. The duties of the service are in charge to-day

of enlisted men who count among their number engineers, divines, students, scholars, almost all of whom aspire to fit themselves by study for elevated professions, and who know, if they cannot carry the baton of a marshal in their knapsacks, that the road is open to the presidency. Each observer is required to pass two examinations. They are enrolled for the General Service; twenty-five (25) of them have been assigned to and are at stations of observation, equipped and at work. They are held to their duty by their military oath; they are subject to military penalties for any neglect of it; they obey military orders. A corps has been provided, to pay which adds not one dollar to the estimated expenditures for the Army. Legislation, to fix the position of these men, was recommended at the last session of Congress.

The telegraphic transmission of the regular reports has presented a problem difficult of solution. The list of stations of observation and report exhibits a large number of stations so located that, if reports are to be both received from and sent to them two or three times a day without an organization of working especially designed for the purpose, the delays would be great and the repetitions, each of which involves a chance of error, numerous. A careful study of this question has resulted in the organization of a plan best exhibited by the map filed in this office, and the working forms of circuits herewith submitted as illustrations. Seventeen working forms of circuits have been prepared. The extensive lines of the Western Union Telegraph Company, and the coöperating companies, the International Ocean Cable Company and Northwestern Telegraph Company, have been divided into circuits. These circuits reach in their courses every station of observation and report; each circuit thus provides for a certain group of stations. This being arranged, the working forms of circuits (Papers C to R) set forth minutely the telegraphic labor needed for the movement of the messages of each group; for the exchange of message reports between different groups; between different places in different groups; and, finally, for the assembling of all the dispatches in Washington. I am not aware that a style similar to this has been before adopted. If it is successfully carried out, it does away at once with the greatest difficulty which has been presented in the attempt to have the reports of observation not only taken synchronously, but so delivered at their widely separated destinations as to be announced almost simultaneously.

Aside from the transmission and proper grouping of the reports, it will be noticed that, by the fact that the observers are thrice each day present in the telegraph offices at the stations at which they are posted on each circuit, their presence is thus thrice reported daily at this office, and any order or instruction can reach the different points of observation throughout the United States in a manner not before arranged.

The benefits to accrue from an organization so minute do not require to be enlarged upon. If the plan endures the test of practical working, it will make it possible to receive, at any time, a synchronous report of the atmospheric condition over the whole territory of the United States, and from the coasts of the Atlantic and Pacific Oceans, within two hours from the moment at which the transmission over the circuits is commenced.

The plan of circuits, and the working forms of circuits, are purposely made capable of an indefinite extension. Thus when telegraphic lines may surround or cross the Caribbean Sea, a circuit added would bring whatever stations might be established on islands therein as another group only into coöperation with the general plan. A Canadian circuit

would extend our meteorological reports through Canada. A South American group would give the atmospheric condition of that continent. The time may come when European, Asiatic, and American groups will interchange reports by means of the deep-sea cables. The idea of a world-wide system of telegraphic weather reports is not as chimerical to-day as was thirty years ago the workings of the electric telegraph itself. In connection with the subject of the telegraphic transmission of reports, it is proper to mention that, by an arrangement with the telegraphic companies, an effort is making to arrive at a fair fixed rate per word, at which rate all weather reports shall be transmitted within the United States without regard had to distance. It is perhaps in this way only that rates at once just to the telegraphic companies and fair for the United States will be determined. A rate so determined will permit the duty to be extended or diminished without special contracts in each case. In all negotiations with the telegraph companies of the United States, this office has met a spirit of liberality and fairness, and has recognized a wish on the part of the companies to do their share in a work they have regarded as for the common good. The replies of the Western Union Telegraph Company, of the International Ocean Telegraph Company, and of the Northwestern Telegraph Company to the proposition of the United States herewith, evidence the views with which these companies have acted. (Papers S¹, T¹, U¹, S², T², U².)

Each station of observation now reports by telegraph forty words per day in three reports. The first duty of securing the reports accomplished, the question of the reduction of the length of the reports became at once one for attention. There is not perhaps a better illustration of the duties of this office than in the fact that by the elaboration of a cipher completed since this report was commenced, the number of words deemed necessary under the present plan for each report has been reduced one-half, and in the further fact of the reduction of the annual estimates which the office has, by the result of this work, been enabled to recommend to the honorable Secretary of War, in a communication of date October 24, 1870. The sums to be annually saved to the United States by the establishment of this cipher alone are not inconsiderable.

The publication of so many of these reports as are concentrated at each station for its information is provided for by bulletins, by maps, and by furnishing them gratuitously to the press. Arrangements will be made for the coöperation of the different scientific institutions throughout the country, to any of which copies of the reports will be furnished, and the coöperation of boards of trade and commercial associations, some of which have modes of publication of their own, is sought for. (Paper 3.) As the duty is systematized, and time is had for the arrangement, plans of signals will be displayed at points selected. The service has been too much in its infancy to permit more to be undertaken in regard to this and other modes of publication than is here set forth. The reports once correctly made and received, it will be a matter of minor difficulty to make them as widely known as is desirable. Form 3 shows the proposed form of bulletin.

The publication of official deductions or forecasts to be had from the mass of reports received at different centers, involves so much of responsibility, that, while it has been considered, the office has not been willing to enter upon it until it shall have practically tested the promptness with which the reports will be received, and the facts as to the approach and force of storms which synchronous reports, following each other in such close succession, will announce without any effort of an-

ticipation. The fact that an extensive storm is moving in a certain direction, and its movement and its force reported at intervals of a few hours as it reaches the different stations in its course, will, of themselves, be a warning to points further in the track of its probable progress, and a little experience with the study of the "generalizations," which meteorological research has seemed to establish, and which, it is proposed, shall accompany the bulletin reports, together with the synoptic charts exhibited by the meteorological maps displayed, will enable conclusions reasonably correct to be arrived at in the threatened localities. It has been considered wise by this office not to attempt more than this at the outset.

The observations heretofore referred to, and for which the stations now established are equipped, are such only as can be made with instruments which have been quickly attainable, and reference has been had hitherto in this report to the operation of such preliminary plans only as have been hurried into execution to meet, if possible, the storms of the coming fall and winter, providing, also, so far as was practicable, for future and permanent service.

The subject of the provision of instruments and their proper use has been, and must be, one of principal importance. Each station has been equipped with a barometer, a thermometer, a hygrometer, an anemometer, an anemoscope, (a vane,) and pluviometer. The instruments are made upon similar plans, and compared—those of them of which comparison is necessary—with standards at Washington. The character of the observation reports, their transmission, and publication, have been, perhaps, sufficiently described. The rules for observations require that readings of the instruments should be made at each station in certain fixed succession, or order of precedence; that the readings commence at the same moment of time; that before they are reported the reductions shall be made for temperature and elevation, and the corrections had for the instrumental errors which have been shown by comparison with the standard. The observer at each station will be advised of the magnetic variation at his station, and of the barometric and thermometric monthly means. Precaution is thus had to secure correctness. The study of the instruments, their improvement, and the diffusion of improved plans throughout the United States, which the law has made possible, and the consequent value of the reports, will be, in the view of this office, one of the great advantages accruing to the country. The observations now had at the stations depend, of course, upon the ocular readings and the individual skill of the observers. In such observations, meteorologists have found causes of error. The attention of this office was early directed to the inauguration of a system of meteorological readings to be had from self-registering apparatus. The interesting tracings of those adopted by Daniel Draper, esq., of the New York Central Park Observatory, induced the order for a set to be prepared by him for this office. They are nearly completed, and will soon be in operation. A careful examination was also given instruments made upon the elaborate plans of Professor H. Wild, of Berlin, now of St. Petersburg. A letter from this distinguished meteorologist, in response to one from this office, stating that these instruments had been used under his supervision, and with satisfactory results, for now two years, and that they were about to be introduced in various observatories of Russia, seemed to vouch for as careful tests as could be desired. Two complete sets were ordered for this office, and are now making.

Professor George W. Hough, of Albany, New York, whose skill as a meteorologist and whose practical ingenuity are widely known, has

been requested to furnish a set of self-registering instruments devised by himself upon plans which he has tested.

By the courtesy of its superintendent, Balfour Stewart, LL. D., F. R. S., the observatory at Kew, England, is furnishing a set of instruments, as standards, not to be surpassed in accuracy. It is contemplated to compare at Washington, with every circumstance of care, the uses of different forms of self-registering instruments in sets, and to select as a model that from which satisfactory results are had. A suitable model once determined, a wide distribution of such instruments offers to the country, with the facility for their use now had by the legislation in pursuance of which this report is made, results whose value can hardly be estimated. It is sufficient to say here that, if reliable instruments can be obtained, their use will furnish a record of every atmospheric change (those which are generally considered) self-recorded upon the instruments for every minute of the day and night, and continuously for the year. The record sheets taken from the instrument and bound, form the record for future reference, instead of the wearying columns of figures which crowd the myriad pages of meteorological registers. The distribution of self-registering instruments, if only in the proportion of one set to each capital city, would give to the United States, in five years' time, a record of climatology more valuable perhaps for this especial service than any now possessed by any other country after the accumulated labors of the past. Sheets of the self-registered records are filed in this office, from which an idea may be formed of the character of the registration.

The opinions of meteorologists consulted are concurrent that, in the systematized improvement of instruments, both of the styles in common use and of those for self-registration, is opened one of the most useful fields of study.

In regard to the development of this duty, the views of this office, as expressed at its inception, remain unchanged. Its progress must be slow, but every day of the necessary practice will add valuable experience. If the duty is to be done at all, it should fail in no circumstance to enable it to be well done. A responsibility which may involve life as well as property is too great to be undertaken without proper provision. The efforts of this office have been given to so organize the service in the few days since it was established, that the Department might be able to report a definite plan and to exhibit the modes by which it proposes to carry it out. It has been another care to so arrange that plan as to consist in effect of units of working, and to be capable thus of expansion or contraction, in the future, without the labor of planning anew, or of toiling again through another organization.

There has thus been laid before the honorable Secretary of War the narration of the hurried labors of the past summer. Three months have elapsed since the appropriation by Congress became available for the purpose of this duty, to the date at which this report is submitted. The organization of a service wholly without precedent on the scale on which this was to be organized, to provide for that service in every part, both as to the personnel and to the equipment, without a precedent example in this country, to establish a system of stations with a practiced observer at each, to negotiate with telegraph companies for a work on their part of which their records show not even a semblance before attempted, to diffuse some general knowledge of the plans and aims to be accomplished, and to secure the coöperation of scientific establishments and of those commercial interests for the good of which the work was especially planned, have been some of the labors devolving upon this

office. With these labors, at this date yet untried as to their results, this report, except in so far as it may show the work up to this time accomplished, must be a report of intentions rather than of facts. More could not, perhaps, be asked at this time, than that these intentions should be, as they are in part, ready to be put upon the trial of execution.

In this connection it is a pleasant duty to refer to the universal good will and ready coöperation with which the different scientific establishments have responded to the requests of this office. From the Smithsonian Institution, the Coast Survey Office, the Naval Observatory, the Agricultural Bureau, and the office of the Surgeon General of the Army in Washington, and from the observatories at Cincinnati, Albany, and at different points throughout the country, useful assistance has been had and tenders are made of any co-working it may be in their power to give. The chambers of commerce, boards of trade, and commercial associations generally, at the different cities at which has been the inception of the service, have exhibited an interest in its success, and in many cases have formally tendered their practical assistance. To this general encouragement and the steady support the Secretary of War has found it his duty to give, in view of the powers conferred upon him by the action of Congress, has been largely due whatever of progress has been accomplished.

I am, sir, very respectfully, your obedient servant,

ALBERT J. MYER,

Bvt. Brig. Gen. and Chief Signal Officer of the Army.

The Hon. WM. W. BELKNAP,

Secretary of War, Washington, D. C.

REPORT OF THE QUARTERMASTER GENERAL.

QUARTERMASTER GENERAL'S OFFICE,
Washington, D. C., October 11, 1870.

SIR: I have the honor to submit the annual report of operations of the Quartermaster's Department during the fiscal year ending 30th June, 1870:

On July 1, 1869, the balance of appropriations to the credit of the Quartermaster's Department in the Treasury undrawn was, by report of last year.....	\$6, 806, 234 99
Appropriation for fire-proof building at Jeffersonville, Indiana, the recommendation to carry which to the surplus fund was withdrawn.....	150, 000 00
Appropriation for survey of site for military post in the valley of the Red River of the North, not included in any former report of this office.....	5, 000 00
Appropriation for construction of military post in the valley of the Red River of the North, not included in any former report from this office.....	50, 000 00
Balance to credit of appropriations for the Quartermaster's Department from cases ascertained to have been passed at the War Department without action by this office, and principally prior to the fiscal year just closed.....	860, 633 64
	<hr/> 7, 871, 868 63

Appropriation for fiscal year 1870, act of Congress March 3, 1869	\$14, 465, 000 00
Amount to credit of appropriations from deposits, derived principally from sales of public property during the year.....	1, 039, 264 50
Add sums which having been expended by this Department, have been refunded by other Bureaus during the fiscal year.....	905, 040 00
Also, amount of requisitions issued prior to, and canceled within, the fiscal year.....	9, 928 64
	<hr/>
Remittances to officers for disbursement.....	\$20, 599, 392 22
Requisitions on account of settlements made at the Treasury of claims and accounts.....	2, 409, 237 11
	<hr/>
Total drafts on Treasury during the fiscal year	23, 008, 629 33
	<hr/>
Balance of appropriations for the Quartermaster's Department in the Treasury undrawn on July 1, 1870..	1, 282, 473 22
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In addition to this sum, the amount of balances in hands of officers, or money in public depositories subject to their drafts, is estimated at about \$1,500,000.

This Department is charged with the duty of providing means of transportation by land and water for all troops and for all the materiel of war. It furnishes the horses for artillery and cavalry, and the horses and mules for the wagon trains. It provides and distributes tents, camp and garrison equipage, forage, lumber, and all materials for camps and for shelter of the troops and stores. It builds barracks, hospitals, and storehouses; provides wagons and ambulances, harness, except for cavalry and artillery horses; builds or chartered ships and steamers, docks, and wharves; constructs and repairs roads, railways and their bridges; clothes the Army, and is charged generally with the payment of all expenses of the movements and operations of the Army not expressly assigned by law and regulation to any other Department. Arms, ammunition, medical and hospital stores, and subsistence stores are purchased and issued by other Departments, but the Quartermaster's Department transports them all to the place of issue in camp, garrison, or in the field, and on the field of battle. These duties have been efficiently performed during the year.

The corps of quartermasters is not large enough to afford officers for the smaller military posts. The nature of our military service requires a great number of posts garrisoned each by a few companies, and the work of the Department at these posts is generally done by lieutenants of the line, detailed as acting assistant quartermasters. Their work is responsible and onerous. They incur responsibility for large quantities of property, and sometimes a heavy money responsibility, occasionally involving them in severe losses. For this duty they receive no special compensation beyond the pay of their lineal rank. Under these circumstances the duty is not desirable, and it is avoided rather than sought. The number of line officers who, during the fiscal year have been on duty as acting assistant quartermasters is reported at 433. Through

their hands large amounts of public money pass. They are charged with operations in the erection of quarters, barracks, and storehouses, involving very heavy expenditures. They have charge of the stables and of the public animals, on whose condition depends the success of military operations, and that regularity of supply and transportation which is essential to the comfort, health, and efficiency of the troops. So important a duty should be sought, not imposed, and the allowance of some moderate sum to cover the responsibility, and compensate the officer for the losses to which he is exposed, such as is allowed to acting assistant commissaries, is very desirable. The difference in the cost of all military structures, and in the length of service and condition of animals, wagons, and all materials of transportation, which would be made by the selection of the most intelligent and efficient business men among the lieutenants of the line for the duty of acting assistant quartermasters would amply repay the small amount required to pay this allowance.

The average number of line officers on duty as acting assistant quartermasters during the past fiscal year was 150; the total number who so acted, 433, showing that they are frequently changed. The amount of an allowance of \$100 per year to each would be \$15,000. The amount to be saved by making the service desirable, one to be sought by intelligent officers desirous of remaining on duty, instead of being relieved from it, is many thousand dollars per annum.

The officers of the establishment are stationed at the principal purchasing and distributing centers as purchasing and disbursing officers. They are not as numerous as economy requires, and several have resigned since my last annual report was rendered, whose places, under the laws as they now stand, it is not possible to fill.

The interests of the military service require the removal of the restriction upon appointments to the Quartermaster's Department, and the treasury would be benefited still more than the Army by its repeal.

This office remains in the building on Fifteenth street, a building not fire-proof, and, therefore, not a fit depository for its records, the value of which appears from the statement of accounts which remain in it. It is too distant from the War Department for the convenient dispatch of business, and it is very desirable that shelter, fire-proof and safe, for this, as well as all the branches of the War Department, should be provided at an early date. The extension of Winder's building appears to be the speediest mode of accomplishing this, and during the last session this matter engaged the attention of Congress, but no appropriation was made.

EXAMINATION OF ACCOUNTS.

A statement of the work of that branch of the office charged with the examination of accounts accompanies this report.

One thousand seven hundred and fifty-four accounts for disbursements have passed the official examination of this office, prior to transmission to the Third Auditor for final settlement. They cover the expenditure of \$11,132,157 02.

On the 5th October, 1870, there were in the office 6,088 accounts yet to be examined. Four thousand five hundred and twenty-two relate to disbursements prior to the fiscal year commencing 30th June, 1869; 1,199 relate to that fiscal year; and 367 to the first quarter of the present fiscal year, commencing 1st July, 1870. These accounts, whose examination is not yet completed, exhibit disbursements of \$58,186,707 82.

They contain acknowledgments of remittances from the treasury of \$40,214,617 44, and from other sources of \$2,202,212 34.

The last year's work is nearly double that of the previous year. The gain is due to the detail of a large number of clerks to this branch of the office. But it appears that the settlement of accounts is still much in arrears.

CLERKS.

The experience of another year shows that the clerical force of the office has been reduced below what the public service requires. The current business of correspondence relating to the supply of troops, payment of accounts, and settlement of claims, replies to questions from Congress and from the War Department, orders and instructions to officers, must be kept up. The number of clerks employed in this business does not leave enough for the speedy examination of the accounts for disbursements of money and for the issue and care of property. The only portion of the business which can be deferred without immediate inconvenience and complaint is the examination of accounts and returns, and this suffers accordingly. The employment of fifty experienced clerks for a year would probably enable the office to bring this work up to date; after which thirty of them could be discharged. I am of opinion that the permanent retention of eighteen or twenty of them, however, would be necessary to prevent the business again falling into arrears.

The records kept by the Department should be very complete. There is scarcely a purchase or an operation of the Department, all over the United States, which is not liable to become the subject of a claim against the treasury or an inquiry by Congress. No letter or voucher is ever addressed to this office to which it may not be necessary, at some future time, to refer promptly, in order to protect the treasury against unjust claims, or to enable the treasury to do justice to some honest creditor. The records, therefore, must be minute and perfect, and this requires the services of many writers. I brought this subject to the attention of the War Department in my last annual report, but Congress did not see fit to grant the request for greater clerical force, and the business continues in arrears.

PUBLIC ANIMALS.

There were purchased during the fiscal year 1,781 cavalry horses, 9 artillery horses, and 168 mules, at an aggregate cost of \$237,928 88; 1,252 horses and 779 mules were sold during the fiscal year. The average price paid for artillery horses which were purchased in the Department of Washington was \$208 33. Cavalry horses bought in the Department of the East cost \$198; in the Department of Missouri, \$124 32. The mules purchased were bought in California, at the price of \$143 45. There were in service on 1st July, 1869, 8,232 horses, 16,670 mules, and 161 work oxen. On 30th June, 1870, the number was 8,225 horses, 14,968 mules, and 155 work oxen. Early in May last orders were given to reduce the number of animals for transportation in service with troops to 1,500, and those at the various depots and in supply trains to 9,000; total, 10,500. This reduction required sales of 6,345 animals. Sales already reported produced \$248,134, which amount has been deposited in the treasury, and reported by the officers conducting the sales. The order issuing in May, the selection and collection of the animals, and the thirty days' advertisement, deferred the sales till after the end of the fiscal year.

FORAGE AND STRAW.

The issues of forage and straw have been as follows: Corn, 1,013,830 bushels; oats, 953,953 bushels; barley, 164,905 bushels; hay, 67,198 tons; straw, 9,550 tons. Barley is used to a small extent in the Department of the Platte. In the Department of Dakota and on the Pacific coast its use is as common as that of corn, and in the Department of the Columbia it takes the place of corn. Oats are largely used in every military department.

FUEL.

The issues of fuel have been: Wood, 125,762 cords; coal, 27,118 tons.

The estimates for the supply of the military posts in the western plains and mountains have been carefully examined in this office, and the supplies remaining in the arsenals from the stock accumulated under the contracts for the war have been drawn upon as far as possible, so as to avoid expense of new purchases. Grain has been purchased in the nearest available markets. Contracts have been made, when possible, for grain in the region defended or occupied by the posts. When the supply to be had in this way has not been sufficient, the grain has been purchased and forwarded from the great markets of the Mississippi Valley. Wood and hay are generally procured by the labor of the troops near the posts. When the garrisons are not strong enough to be employed in this labor, or when they are occupied with scouting or with the erection of the posts, local contracts provide for these necessary supplies.

FIRE EXTINGUISHERS.

The severe losses by fire to which this Department is exposed will, it is hoped, be in some degree lessened hereafter by the introduction of the fire extinguisher. Ninety-four of these implements have been distributed to the military posts, and in one case a fire has been prevented from spreading and destroying the greater part of the quarters by their use.

INSTRUCTION IN HORSE-SHOEING.

Under the joint resolution of 28th July 1866, the Secretary of War contracted with Alexander Dunbar for one year's services in teaching his mode of treatment of the horse's foot to the farriers of the Army. Mr. Dunbar traveled extensively, visiting and teaching at many military posts from Carlisle, Pennsylvania, to the frontier of Texas. His year's service was completed on the 24th August, 1869, and he was paid the sum of \$25,000, besides his traveling expenses, in accordance with the terms of his contract. A report of his operations, based upon such incomplete information as was transmitted to this office, was submitted to the War Department on the 27th August, 1869. Those officers who have taken an interest in the subject report very favorably of the result. At Carlisle Barracks, Pennsylvania, the depot of the cavalry of the Army, a school for instruction of smiths, under this system, has sent some thirty farriers to the cavalry regiments competent to apply the system. The commanding officer at Carlisle, General J. P. Hatch, reports the system entirely successful, and that a large number of contracted and otherwise diseased feet have been successfully treated, and that the proportion of horses on the sick report unfit for service is reduced to one-half what it was before Mr. Dunbar's instructions were given at that place.

CONTRACTS.

Seven hundred and fifty-four contracts were examined and approved in the branch of this office which has charge of general supplies.

CLAIMS.

There were on file in that division of the office, 1st July 1869, 2,649 claims on account of regular and miscellaneous supplies, horses, mules, and services, amounting to.....	\$1,521,367 05
There were received during the year 1,148 such claims, for.....	972,816 95
Making 3,799 claims, for.....	<u>2,494,184 00</u>

Six hundred and twenty of these claims, amounting to \$503,124 44, were approved for settlement, being reduced to \$334,364 95—a reduction of \$168,759 49. Five hundred and seventeen claims, for \$359,321 70, were rejected. One thousand one hundred and twenty-six, calling for \$685,807 04, having been examined during the year, were suspended, awaiting further proof. One thousand two hundred and nine, on file and suspended at the beginning of the year, still remain suspended. Three hundred and twenty-five, amounting to \$208,228 43, have not, as yet, been acted on.

CLOTHING AND EQUIPAGE.

No appropriation for the clothing and camp equipage of the Army has been made since the war. The large appropriation made early in 1865 and the proceeds of sales of surplus and of damaged clothing have sufficed for the settlement of contracts in existence at the termination of hostilities, the care and preservation of the stock on hand, and for the purchase or manufacture of such articles as were not in store and have been needed for issue for the past five years.

The law of 12th July, 1870, forbidding the use of balances of appropriations, except for the payment of obligations incurred during the year for which the appropriations themselves were made, has now deprived the Department of this resource.

At the last session, depending on the estimated balances of appropriations, no estimate was presented and no appropriation was asked for either clothing or equipage, or for purchase of horses for the cavalry or artillery. There is, therefore, for the service of the year ending 30th June 1871, the present fiscal year, no money available for supplying the Army with such articles of clothing and equipage as are not in store, and no means of purchasing horses to replace those disabled or dead in the cavalry or artillery services. An estimate for each of these objects has been laid before you.

The stock of some sizes of trousers, boots, bootees, and hats has been exhausted. The large sizes of clothing and the small sizes of boots and shoes and hats are first exhausted. Men make requisition for garments larger than they actually wear in order to have them refitted by the company tailors. As the hats and shoes cannot be refitted, of these they draw the sizes they actually wear. This office has done all in its power to confine this practice within proper limits, but without full success, and we have now a large stock of some sizes, while others are exhausted. The stock manufactured during the war and on hand at its

close was divided in proper proportions among the four sizes used, so that there was never any difficulty in clothing a brigade, or an army of 100,000 men, with clothing assorted in packages according to the established scale, and shipped in bulk to the camp. But since the Army has been distributed into small garrisons, with leisure to indulge individual taste, the universal demand for large sizes and rejection of small sizes of clothing have resulted as noted.

A very large stock of knapsacks and haversacks in store has become unfit for use. They are made of cloth, painted black in order to be water-proof, and some chemical change takes place in the black paint or varnish, which, in course of years, renders them sticky and unfit for use. All attempts to remedy this evil have failed. It will be necessary, therefore, to purchase a new stock of these articles.

The serviceable cotton tents are exhausted. An appropriation for the purchase of these is required.

Some officers desire to see a change in the Army uniform. I think that, while so large a stock of clothing still remains on hand, such a change is inadvisable. It would involve an unnecessary expenditure of public money. The uniform in which the people of the country fought the battles and made the campaigns of the war is endeared to them by the recollection of many a hard-fought field and many a bivouac. It is simple, inexpensive, serviceable, and military. Those who lead lives, like that of the soldier, in the forest or in the wilderness, seek to purchase the surplus articles of Army clothing as the most durable and serviceable they can obtain. The armies of Europe tend to the use of materials like ours. The dark blue coat and blouse, the light blue trousers, form a uniform unsurpassed in any service for actual duty in the field.

For detailed information as to the quantity of clothing and camp and garrison equipage in store at the commencement and expiration of the fiscal year; of the issues, sales, &c., I refer to tabular statements accompanying the report of Major J. D. Bingham, quartermaster, the officer in charge of this branch of this office, herewith.

The expenditures on account of clothing, camp and garrison equipage, during the fiscal year were \$334,148 47. The proceeds of sales of such property, surplus or damaged, were \$311,451 24.

INDEBTED RAILROADS.

At the close of the war, under executive orders, a large quantity of rolling stock and other materials for railroads was in possession of the United States. Most of that in the Eastern Departments, Maryland, Virginia, the District of Columbia, and North Carolina, was, under authority of the Secretary of War, disposed of at public sale. This generally realized fair prices, and the money was paid into the treasury and the accounts closed. In Tennessee and the Southwest a different course was pursued under executive orders of 8th August and 14th October, 1865.

The railroad property of the United States, collected mostly at Nashville, was distributed among the southwestern railroads. The attempt was made to prevent any one road from taking more than its proportionate share. For the value of the property sold to each road, ascertained by a board of appraisers, the bonds of the company were taken. The total appraised value of the property thus sold was \$7,569,950 80. The debt, by the terms of sale, bears interest at $7\frac{3}{16}$ per cent.

Twenty-three railroads had by 30th June, 1870, paid off the principal and interest of their debt to the United States:

Principal.....	\$2, 177, 546 38
Interest.....	201, 457 66

Total payments by the roads which have paid up in full.	<u>2, 379, 004 04</u>
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Twenty-eight roads are still indebted to the United States.

The value of property originally purchased by them was.....	\$5, 392, 404 42
Interest thereon to 30th June, 1870.....	1, 501, 717 23
Expenses of attempts to collect the debt.....	<u>17, 985 32</u>

Total debt, interest, and expenses.....	6, 912, 106 97
Total payments made by these roads to 30th June, 1870.	<u>2, 265, 584 29</u>

Total unpaid 30th June, 1870.....	<u>4, 646, 522 68</u>
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The total amount paid by the roads which purchased on credit under executive orders, to 30th June, 1870, is, including principal and interest, \$4,644,588 33. During the fiscal year the collections on this account have been \$365,820 45, which, owing to the accruing interest and the expenses of suits against the defaulting railroads, has reduced the sum total of the debt only \$58,128 04.

Accompanying this report is a statement in detail of the debt, interest, and expenses in tabular form, which will be useful for reference, as the defaulting roads, having failed in their attempts to be relieved from payment of the debt voluntarily incurred, have appealed to Congress for legislative relief. All the companies in the Atlantic States have now paid their debts in full, except the Alexandria, Loudoun and Hampshire, and the Washington, Alexandria and Georgetown. A receiver having been appointed, the debt of the Alexandria, Loudoun and Hampshire road has been so far reduced that it is probable that it will be extinguished during the present fiscal year. That of the Washington, Alexandria and Georgetown Railroad is small, and the company claims that it now holds transportation accounts for services rendered the United States sufficient to cover the balance still unsettled. The Tennessee railroads were the largest purchasers, and have shown the least disposition to fulfill their promises. Some of them obtained executive orders to suspend all attempts to collect what they owed the United States, and since the present administration has revoked those orders, and directed that "measures be taken to speedily collect and secure the amount due from them," suits have been commenced in the circuit courts of the United States against the Nashville and Chattanooga, Nashville and Northwestern, East Tennessee and Virginia, and East Tennessee and Georgia Railroad Companies.

At a preliminary hearing before Justice Swayne, of the Supreme Court of the United States, in chambers, in this city, in November, 1869, an order was made by the court that each company give bond in \$100,000 to properly account to the court, from term to term, for all moneys received by them, said bond to be in force until the further order of the court, unless the companies, within six months from the date of the order filed, as additional security, the bonds of the State of Tennessee, or bonds of the companies guaranteed by the State of Tennessee in

amount equal to the amount of their indebtedness respectively. A further hearing is hoped for at the next term of the court.

Preliminary steps have been taken also for commencement of suits against the Nashville and Decatur, the McMinnville and Manchester, and the Knoxville and Kentucky Railroad Companies.

The question of bringing suit against the State of Tennessee for the amount due for purchases made for the benefit of the Memphis, Clarksville and Louisville, and the Edgefield and Kentucky Railroads, has also been submitted by the War Department to the honorable Attorney General.

The War Department has constantly sought not to be oppressive to these railroads in collection of their debt to the United States, and has granted extension of time to every company showing a disposition to meet its just obligations which has assigned good cause for asking such extension. Some of the roads, however, show no disposition to attempt to pay their debts. They set up claims for use of the roads captured by the United States from the public enemy, which they aided and abetted in rebellion and in making war against the United States. Various bills relating to this matter have been introduced and referred to the committees of Congress, which had not reported thereon at the close of last session. The Hon. A. F. Perry, of counsel for the War Department in the suits against the companies, at the request of the Secretary of War, appeared before the committees in order to lay before them an outline of the facts in the case in controversy. The efforts of these companies will doubtless be renewed at the approaching session of Congress. If they are relieved from the payment of the debt justly due to the United States for military property sold on their application, and which enabled them to reopen and operate their roads, it will be a question whether the moneys paid by other roads for similar property shall not be refunded to them. Their honesty in payment of their debt to the United States should not be allowed by the United States to put their stockholders in a worse condition than that of those who have refused or avoided payment. Much of the debt has been paid in services—transportation of troops, of military stores, and of mails, the just cost of which, when the accounts are rendered, is credited to the companies and thus reduces their debt. For full details of the work of collecting this indebtedness, I refer to the report of Colonel Ludington, the officer in charge of the transportation branch of this office, which accompanies this report.

RAILROAD TRANSPORTATION.

There were moved by railroad during the fiscal year, so far as reported, 35,387 persons; 5,298 animals, and 30,959 tons of freight, at a cost of \$1,671,517 05. Of this movement, the following was upon the railroads designated as Pacific railroads:

Over the Union Pacific Railroad:

6,512 persons, at cost of.....	\$317, 346 74
9,559 tons of supplies	240, 191 18
	<hr/>
	557, 537 92

Over the Central Pacific Railroad of California, and its branches:

2,512 persons.....	\$63, 444 79
1,059 tons of supplies.....	24, 513 11
	<hr/>
	87, 957 90

Over the Kansas Pacific Railroad:

4,618 persons.....	\$75, 013 13
6,854 tons of supplies.....	161, 726 97
	<u>\$236, 740 10</u>

Total cost of service..... 882, 235 92

Total service on Pacific railroads: 13,642 persons; 17,472 tons.

WATER TRANSPORTATION.

Six steamers, four schooners, and one brig have been chartered during the fiscal year, at a cost of \$33,306 33. Five steamers, eight schooners, sloops, and barges, owned by the Department, have been employed, at a cost of \$132,565 75. Two of the steamers and three of the sailing vessels have been sold during the year for \$11,310.

The steamer Illinois, under a joint resolution of Congress, has been transferred for an indefinite term to the quarantine commissioners of New York. One barge has been condemned and broken up.

The steamer Newbern, which kept up communication with Alaska, has, since the end of the fiscal year, on the withdrawal of troops from that coast, been ordered for sale.

The movement of transportation by water during the fiscal year was: of persons, 39,101; of animals, 2,161; tons of freight, 43,949. Expended on water transportation during the year, \$1,257,994 59.

WAGON AND STAGE TRANSPORTATION.

The contracts for this service appear to have been unusually successful during the past year. No complaints of failure of duty on the part of the contractors have reached this office.

This service is confined to the States and Territories west of the Mississippi, where the rail and steamboat do not yet penetrate. The rates are lower than heretofore.

On route No. 2, which extends from points on Kansas Pacific Railroad to posts in State of Kansas, Territory of Colorado, south of latitude 40° north, and in Indian Territory and State of Texas, north of Red River, and west of longitude 97°, and to Fort Union, New Mexico, the average rates per 100 pounds per 100 miles were, for the six working months of the fiscal year 1867-'68, \$1 28; for 1868-'69, \$1 29; 1869-'70, \$1 15½; 1870-'71, \$1 08.

On route No. 3, which extends from Fort Union and other points in New Mexico to posts in New Mexico, Arizona Territory, and State of Texas, west of longitude 105°, in the same time, the rates, formerly \$1 50, have declined to \$1.

On route No. 4, which extends from St. Paul, St. Cloud, Minnesota, or Fort Stevenson, Dakota Territory, to points north and east of Missouri River, in State of Minnesota, and Dakota Territory, the rates of the working season of 1868-'69 were \$1 50½; for the year 1869-'70, \$1 36¾; for the year 1870-'71, \$1 37½.

This transportation moved during the fiscal year, by contract, 1,934 persons and 19,111 tons of supplies, at a total cost of \$1,036,803 54.

A very heavy expenditure, not included in the above, is involved in the maintenance of trains of wagons for the military transportation, which does the detailed service of the military posts, and which accompanies the troops on military expeditions. For its extent I refer to the

report of the public animals kept in service. In Texas, New Mexico, in the Rocky Mountains, and in Arizona, much of this transportation is by pack mules. Our troops are not as skillful as Mexicans in the management of pack trains, and this transportation is very costly. The animals suffer from sore backs and are ruined. This appears to be unavoidable, however. The marauding Indians cannot be reached in any other way, and the Mexicans cannot be enlisted in the Army.

For stage transportation of 820 persons and 56 tons of freight, there was paid during the year \$49,192 49.

The total transportation service by land and water during the year, not included in the work and maintenance of the military trains, the property of the United States, has been to move 77,242 passengers, 7,459 animals, and 94,405 tons, at a cost of \$4,015,507 67.

BARRACKS, QUARTERS, AND STOREHOUSES.—MILITARY BUILDINGS.

Few of the western and southwestern posts are permanent, and the frequent changes of stations in the wilderness involve a heavy annual expense for the erection of shelter for the troops, trains, and stores.

A large part of our Indian territory is deficient in materials for buildings. The Army now occupies the central plateau of the continent, removed from the abundant forests of the coasts. Fuel itself is, for some military posts, dug from the ground in the shape of mesquite roots, the remains of forests now extinct. The cost of hauling timber fit for building to some of these posts is very great. There are lines of wagon and cart transportation in Texas over 800 miles in length.

One hundred and thirty-six buildings, barracks, hospitals, guard-houses, storehouses, and stables have been constructed during the fiscal year, at a cost of \$294,289. They are in twenty-three different States and Territories—Connecticut, New York, Maryland, North Carolina, Georgia, Florida, Alabama, Mississippi, Texas, the Indian Territory, Tennessee, Kentucky, Missouri, Kansas, Iowa, Dakota, Nevada, Colorado, New Mexico, Arizona, California, Oregon, and Washington.

In addition to the \$294,289 above indicated, the Secretary of War authorized the expenditure of \$50,000 in the erection of the new post at Pembina, on the Red River of the North, established under the act of March 2, 1861, (12 U. S. Stat., p. 203.) A new post has also been established by proper authority in Utah, of which the plans have not yet reached this office.

A new post, to be garrisoned by two companies of cavalry and two of infantry, has also been authorized at the Ojo del Oso, or New Fort Wingate, New Mexico.

In repairs of buildings and wharves, and in construction of cisterns, wells, &c., at military posts, there has been an expenditure during the year of \$144,270.

The figures in this office show the occupation of 4,985 buildings of various kinds, in connection with the military service, for which this Department is responsible. Many of them are of the rudest construction, hastily thrown up by the labor of the troops to secure shelter from the weather, on the first establishment of a military post, and a large part of the officers and men of the Army are compelled to pass a large portion of their time in such unwholesome and uncomfortable quarters.

This office has constantly endeavored to improve the condition of the quarters and accommodations of the Army, but frequent changes of station, and incapacity and inexperience of many officers to whom the details of the work are committed, in the present condition of the service, have delayed the work of improvement and added much to its cost.

The sale of 243 buildings has been ordered during the year. Forty-one buildings have been transferred to various parties at their appraised value.

The buildings erected by this Department early in the war for a hospital, on Judiciary Square, in this city, occupied since the war as storehouses by the Medical Department, have, under the act of February 15, 1870, been transferred to the "Women's Christian Association," for their use and benefit, until otherwise ordered by the President of the United States.

The erection of a fire-proof storehouse at Jeffersonville, Indiana, for which Congress made an appropriation March 2, 1867, was delayed for want of provision for the purchase of a site, and in consequence of reports that the property there stored would be soon consumed in the supply of the Army.

In December 1869 I made a personal inspection of the depot, and finding that it still contained about fourteen millions of dollars of military stores, many of which would not for a long time be consumed, and that the watching and guarding from destruction by fire of this immense amount of valuable property, scattered among a large number of decaying temporary storehouses, involved a great risk and a great expense, I recommended to you that the money should not be permitted to lapse, but be used in erecting a suitable storehouse upon land which the city of Jeffersonville had indicated its willingness to give to the United States for this purpose. This recommendation was approved, and the city authorities have been so informed. The gift has not yet been completed, and the erection of the storehouse is still delayed. The cost of the buildings will, in a few years, be saved in the reduction in the expense of watching and guarding the property, and of repairs of the wooden sheds which have so long sheltered it.

The city of San Antonio has presented to the United States a site for the military establishment or depot near it. The title has not yet passed the scrutiny of the Department of Justice, and the erection of the storehouse is, therefore, not yet commenced. San Antonio is the natural center of interior commerce of Texas, and the proper point for the supply of the posts on the Indian and Mexican frontiers of that State. In Texas one-sixth of the Army is stationed, and the long distances over which supplies must be hauled, and the deficiency in production of every military supply, make its service a very expensive part of the duty of the Quartermaster's Department.

CLAIMS RELATING TO TRANSPORTATION, TO INCIDENTAL ALLOWANCES, AND TO MILITARY BUILDINGS.

There were on file, July 1, 1869, 2,326 claims under these heads, calling for.....	\$1, 117, 993 95
There were received during the year 1,102 such claims, for.....	550, 143 00
Total.....	<u>1, 668, 136 95</u>

Of these there were referred to the Treasury or to disbursing officers for payment, during the year, 872 claims, on which the sum allowed was \$275,014; 423 were rejected, amounting to \$480,039; 28 claims, pertaining to other branches of the service, were appropriately referred; they amounted to \$6,067.

A large number of claims for a large amount are still unsettled.

Claims and accounts for transportation acted on during the fiscal year:

1,319 such claims and accounts were on file on the 1st	
July 1869, amounting to	\$2,053,385 31
1,442 were received during the year, amounting to.....	2,915,016 31
	<hr/>
	4,968,401 62

One thousand three hundred and twenty of these have been allowed and referred for payment to the Treasury or to the disbursing officers. Their amount as corrected and allowed is \$1,361,556 93. Two hundred and thirty four have been rejected. Their amount was \$2,341,147 80. The large amount of these claims rejected shows the importance of the examination which they receive in this office, and justifies the request that a larger clerical force be allowed in order to the more speedy completion of the examination of such claims before the evidence is lost.

Under the provisions of the act of July 12, 1870, and the opinion of the Attorney General thereon, there is now no fund available for the settlement of claims arising under the act of 4th July 1861, which it is the duty of the Quartermaster General to examine, and, when convinced of the justice of the claim and the loyalty of the claimant, to recommend to the Third Auditor for settlement.

The balance remaining in the treasury from former appropriations will not be sufficient to pay the bills to be presented for all services and liabilities incurred before the 1st of July 1870, which are justly due, though not within the scope of the law of 4th July 1861.

The appropriations for the present fiscal year and the estimates for the next year are based upon estimates of the cost of the service of those years, and include no items for payment of such bills. I think, therefore, that it will be proper to call the attention of Congress to the propriety of making some provision to meet these old liabilities.

The experience of the past years leads me to the conclusion that a sum of about \$1,000,000 will suffice for this purpose. Some of these bills, lately proved to be just and allowed, date from before the rebellion.

NATIONAL MILITARY CEMETERIES.

The collection of the remains of soldiers into their final resting places is nearly completed. Information is still occasionally received by the Quartermaster General of burials in remote places, and such are removed, as discovered, to the nearest national cemetery. About 500 are known and will be removed. Most of the cemeteries are inclosed by wooden fences, which, as they decay, will be gradually replaced, as the laws require, with walls or iron railings. The permanent head-blocks required by the act of February 22, 1867, have not yet been provided. As the importance of confining the expenditures of the year within the smallest limits consistent with the public good was well understood, and as it was supposed that the appropriation for the establishment and maintenance of the cemeteries, if not expended, would still remain available, the work of erecting permanent inclosures was not urged during the fiscal year. Contracts for walls and railings were made only where decay of the original wooden inclosures made them immediately necessary.

Thus there remained undrawn in treasury at the end of the year a

balance of about \$170,000. This, it is probable, will in great part revert to the surplus fund. The appropriation for the present year, granted by Congress, is \$300,000, all of which will be necessary, and can be conveniently expended, in perfecting the cemeteries and maintaining them in good order.

In order to carry out the desire of Congress, by planting and cultivating trees and shrubs within the cemeteries, advertisements were published inviting from greenhouses and nurseries lists of prices. The invitation was very generally responded to, and the price lists thus obtained will enable the Department to purchase in the most advantageous markets for each cemetery. Hedges will be planted within the inclosures, in order to give greater protection and to adorn the cemeteries, wherever this can be done without too much interference with walks and ditches and other improvements already executed.

The erection of walls around the Arlington and other national cemeteries in this District has already been contracted for. Permanent lodges are being erected at many of them. Walls have been commenced or ordered at Mobile and Marietta; iron railings at the Soldiers' Home cemetery, D. C., and at Keokuk and Rock Island cemeteries.

The cemetery at Vicksburg, as heretofore reported, was very unfortunately located. It is on a bluff of the Mississippi River, and the terraces become saturated by land springs and slip, throwing the broken coffins to the surface. Much damage has been done, and a great expense incurred in repairs and in measures of prevention. A thorough system of under-draining is now being carried out, which it is intended to complete during the present fiscal year.

There are 73 national cemeteries, and the records show interments in 316 local, private, or post cemeteries. The titles to 75 tracts occupied as cemeteries have been pronounced valid by the honorable the Attorney General, in accordance with law. The rolls of those interred by the United States fill 24 volumes, and they are not yet complete. It is estimated that three more volumes will complete the list of 333,000 graves. There are 61 superintendents, veteran soldiers, appointed under the law, in charge of cemeteries. The sum of \$300,000 is asked for this service during the next fiscal year. For full details relating to the cemeteries, I refer to the report thereon by Major J. D. Bingham, in charge of that branch of this office.

INSPECTION.

One branch of the Quartermaster General's Office keeps a careful record of the stations, and changes of station and duties of the officers of the Quartermaster's Department, and of the line officers assigned to duty therein. It also records and prepares for official action the reports of boards of survey, correspondence relating to assignment of officers, filing and distributing of orders and general instructions, and prepares the monthly return of officers for the Adjutant General's Office. During the year about 150,000 papers, letters, orders, reports, &c., were received and distributed by this branch of the office. A list of officers assigned to duty in the service of the Quartermaster's Department, and a report of the stations and duties of the regular members of the corps accompanies this report.

During the winter of 1869-'70 I made a personal inspection of the Quartermaster's Department at many posts in the Southwest. I visited the depot at Jeffersonville, the military cemeteries at Nashville, Chattanooga, and Marietta, the posts of Atlanta, Mobile, and New Orleans, and ex-

ended my tour to the principal seaports of Texas, visiting also Austin, San Antonio, and passing over the lines of transportation from the coast to the Indian frontier and the Rio Grande. This inspection has enabled me to recommend measures which have already effected considerable economies, and which tend, also, to the benefit of the troops and officers stationed in remote and desolate regions. The officers who assisted me in the business of the office during the early part of the fiscal year were all relieved in the course of the spring and summer of 1870, and ordered to western posts, and their places supplied by officers who had made their tour of western duty. To those officers, Lieutenant Colonel J. A. Ekin, Major A. J. Perry, and Major J. J. Dana, and to their successors, Colonel Robert Allen, Major J. D. Bingham, and Major F. I. Ludington, I am indebted for zealous and intelligent assistance in the discharge of the multifarious duties of this office. During my absence in the Southwest, which continued from the 5th of November to the 2d of March, Lieutenant Colonel J. C. McFerran, by assignment of the President, carried on the business of this office with his usual ability and discretion.

The reports of the officers now at the head of the several branches of the office accompany this report, and to these I respectfully refer for more detailed information. The tables attached to these reports give all statements of the supplies and material of war under charge of the Department, of its operations, and of the stations and duties of its officers.

All of which is respectfully submitted.

M. C. MEIGS,

Quartermaster General, Brevet Major General U. S. A.

Hon. WILLIAM W. BELKNAP,

Secretary of War.

List of papers accompanying the annual report of the Quartermaster General for the fiscal year ending June 30, 1870.

Report of Colonel Robert Allen, assistant quartermaster general, United States Army.

Report of stations and duties of officers of the Quartermaster's Department on the 1st October, 1870.

Report of the stations and duties of officers of the Quartermaster's Department for the fiscal year ending June 30, 1870.

Report of stations and duties of officers acting as assistant quartermasters for the fiscal year.

Report of Major J. D. Bingham, quartermaster United States Army, in charge of the accounting Branch of the Quartermaster General's Office, enclosing statement of the financial operations of the Quartermaster's Department during the fiscal year ending June 30, 1870.

Tabular statements of requisitions for remittances for disbursement during the fiscal year.

Statement of requisitions issued on Treasury settlements of claims and officers' accounts during the fiscal year.

Statement of accounts for disbursements examined during the fiscal year.

Report of Major J. D. Bingham, quartermaster United States Army, in charge of regular supplies' branch, Quartermaster General's Office.

Report of Major J. D. Bingham, quartermaster United States Army, in charge of clothing and equipage branch, Quartermaster General's Office.

Statement of clothing and equipage on hand 30th June, 1869.

Statement of clothing and equipage on hand 30th June, 1870.

Statement of clothing and equipage issued and expended during the fiscal year.

Statement of surplus serviceable clothing and equipage sold during the fiscal year.

Statement of surplus serviceable material sold during the fiscal year.

Statement of unserviceable, damaged, and irregular clothing, &c., sold during the fiscal year.

Statement of unserviceable material sold during the fiscal year.
 Statement of amounts received from sales of clothing, &c., during the fiscal year.
 Statement of clothing and equipage purchased and manufactured during the fiscal year.
 Statement of materials purchased during the fiscal year.
 Statement of expenditures on account of clothing and equipage during the fiscal year.
 Statement showing expenditures on account of clothing and equipage at Philadelphia during the fiscal year.
 Statement of clothing and equipage sold to the National Asylum during the fiscal year.
 Statement of clothing, camp and garrison equipage furnished the Darien surveying expedition during the fiscal year.
 Statement of clothing and equipage sold to Hon. J. J. Roberts, envoy extraordinary of the republic of Liberia, during the fiscal year.
 Statement of condemned and irregular articles of clothing and equipage issued for distribution to the destitute people of the District of Columbia during the fiscal year.
 Statement of claims for property purchased and seized received during the fiscal year.
 Statement of returns of clothing and equipage received, examined, &c., during the fiscal year.
 Report of Major J. D. Bingham, quartermaster United States Army, in charge of cemeteries.
 Statement showing the cemeteries in the United States in which United States soldiers are buried.
 Tabular record of titles to land occupied as national cemeteries.
 Statement showing permanent improvements at cemeteries.
 List of national military cemeteries.
 Schedule of rolls of honor published.
 List of national and incorporate cemeteries in the third quartermaster's district, Department of the East.
 Statement showing the work to be performed and the number of employes required to complete the national cemeteries in the Department of the South.
 Report of Major M. I. Ludington, quartermaster United States Army, in charge of transportation, barracks, and quarters.
 Statement of indebtedness of certain railroads.
 Statement of public funds in possession of Major M. I. Ludington, quartermaster United States Army, during the fiscal year ending June 30, 1870.
 Abstract of contracts for water transportation entered into by the Quartermaster's Department during the fiscal year.
 Statement of vessels owned or purchased by the Government during the fiscal year.
 Statement of vessels chartered, impressed, or employed during the fiscal year.
 Abstract of contracts for wagon and stage transportation during the fiscal year.

REPORT OF THE COMMISSARY GENERAL OF SUBSISTENCE.

OFFICE COMMISSARY GENERAL OF SUBSISTENCE,
Washington City, October 12, 1870.

SIR: In compliance with the directions of the honorable Secretary of War, communicated in the circular to the chiefs of bureaus of the War Department of September 24, 1870, I have the honor to submit this annual report of the operations of the Subsistence Department.

In a time of peace, such as has prevailed in the United States since the close of the war of the rebellion, when but few important movements of troops take place, and when the occupied military posts generally remain unchanged, the necessity does not often arise for instituting any considerable changes in the sources, extent of purchase, or mode of distribution of the subsistence stores designed for Army use. Accordingly, the principal articles of the ration, as pork, bacon, beef, flour, beans, and other articles of farm produce, as also many of the necessary and more common groceries, have, during the past year, as previously since the war, been purchased, and to a constantly increasing extent, at or as near the several points of consumption as it has been found practicable to obtain them of good quality and at fair prices, resulting in a corresponding diminution of such purchases at the great

market centers of trade; in favoring frontier farming, manufactures, and trade; in obtaining fresher supplies; and in lessening the expense of transportation.

A still further advance having been made during the past year in the States and Territories of the Pacific slope in the production of the necessary supplies for the subsistence of the troops serving therein, it is evident that the time is not remote when the transfer of commissary stores from the eastern markets to the Pacific coast will entirely cease. All proper measures tending to this desired end are being instituted and carried into effect by the assistant commissary general in charge of the affairs of the Department in the military division of the Pacific. Great progress has also been made during the last year in the military district of New Mexico in the development of its productive resources, so that a large part of the commissary supplies required by the troops of that district are obtained therein. A like advance has been made to a considerable extent in the State of Texas and in the military departments of the Missouri, the Platte, and of Dakota. The completion of the two railroads to Denver, Colorado Territory, and the agricultural and mercantile progress made at that place and vicinity, has rendered it expedient that Denver should be occupied as a point of purchase for commissary supplies. Accordingly, a commissary of subsistence has been designated to take station there, who will have instructions to furnish such stores as can be obtained there to advantage, for issue to the troops stationed in the western portions of the military departments of the Missouri and of the Platte.

One of the colonels and two of the lieutenant colonels, assistant commissaries general, and one of the senior majors, acting as such, are stationed at the headquarters of the divisions of the Atlantic, the South, the Missouri, and the Pacific, viz., Philadelphia, Louisville, Chicago, and San Francisco, and have the general charge of the affairs of the Subsistence Department within these respective divisions. Nine of the commissaries of the rank of major and captain are stationed at the headquarters of the military departments of the East, of the Lakes, of the South, of Texas, of Dakota, of the Platte, of the Missouri, of California, and of the Columbia, acting as assistant commissaries general of such military departments, and usually also performing the duties of purchasing and depot commissaries. Since the formation of the military department of Arizona, an officer of the Quartermaster's Department has performed such duties in that Department, and who, it is expected, will soon be relieved therefrom by an officer of the Subsistence Department. The remaining officers of this Department are stationed at important points of purchase, or at depots, as New Orleans, Chicago, St. Louis, Baltimore, Washington, Sioux City, Leavenworth, and Fort Union, or are on duty in this Bureau or on other special duty; every officer of the Department being on duty.

It is deemed essential, in order that the Army may be at all times supplied with commissary stores of the proper grade as to quality and at the most economical rates, that the Commissary General shall, under the direction and authority of the Secretary of War, designate the places where contracts and purchases shall be made; direct the proper distribution of commissary supplies, and in general control and administer the affairs of the Subsistence Department under the laws and regulations. A long experience has shown that this responsibility and control may be exercised in entire harmony with the utmost efficiency of the troops, in war and in peace, and without diminution of the proper necessary rights of field or department commanders.

During the fiscal year ending June 30, 1870, there have been reported to this office 330 advertisements calling for proposals for furnishing subsistence supplies, 312 contracts for fresh beef and beef cattle, 89 contracts for complete rations, 98 contracts for miscellaneous articles, and 889 contracts in the form of written proposals and acceptances.

In the year ending June 30, 1870, the average contract prices of fresh beef have been as follows:

State or Territory.	Cents per pound.	State or Territory.	Cents per pound.	State or Territory.	Cents per pound.
Maine.....	14.63	Mississippi.....	10.05	Indian Territory.....	5.94
Massachusetts.....	13.92	Louisiana.....	8.00	Dakota Territory.....	9.76
Rhode Island.....	16.50	Texas.....	5.99	Wyoming Territory.....	9.46
Connecticut.....	13.25	Arkansas.....	7.60	New Mexico Territory.....	7.61
New York.....	12.86	Tennessee.....	9.25	Colorado Territory.....	11.50
Pennsylvania.....	14.52	Kentucky.....	8.53	Utah Territory.....	9.58
Delaware.....	15.00	West Virginia.....	8.75	Montana Territory.....	11.16
Maryland.....	13.56	Ohio.....	13.25	California (coin).....	10.65
District of Columbia.....	11.66	Indiana.....	9.22	Oregon (coin).....	7.66
Virginia.....	12.75	Illinois.....	11.70	Arizona Ter. (coin).....	10.18
North Carolina.....	10.23	Michigan.....	9.70	Washington Ter. (coin).....	11.30
South Carolina.....	10.29	Missouri.....	8.85	Idaho Territory (coin).....	9.05
Georgia.....	10.80	Minnesota.....	9.92	Alaska territory (coin).....	30.00
Florida.....	7.50	Nebraska.....	9.37		
Alabama.....	8.00	Kansas.....	10.31		

Showing an average price per pound of 10.57 cents in currency for all parts of the country except the military division of the Pacific, and for that division 13.14 cents, in coin.

The first cost of the army ration at the principal points of purchase has been for the fiscal year 1869-'70 as follows:

Date.	New York, N. Y.	Baltimore, Md.	Louisville, Ky.	St. Louis, Mo.	St. Paul, Minn.	Omaha, Neb.	Ft. Leavenworth, Kas.	New Orleans, La.	Chicago, Ill.	San Francisco, Cal.
1869.										
July.....	21.38	23.86	22.56	22.96	19.20	23.26	20.43	22.81	26.12	26.93
August.....	23.67	24.55	21.23	22.49	19.30	23.48	18.22	22.42	29.58	27.38
September.....	23.26	25.77	21.45	21.41	19.80	27.88	.....	21.75	22.35	26.67
October.....	21.70	24.01	20.54	23.08	22.16	26.04	.....	20.79	22.92	25.50
November.....	22.49	23.04	20.55	22.36	21.24	23.26	21.30	21.40	22.89	25.35
December.....	21.05	22.04	20.56	21.03	20.66	23.26	19.43	21.18	22.88	24.00
1870.										
January.....	18.61	22.01	19.83	18.87	19.83	22.79	20.25	21.08	22.41	23.95
February.....	18.77	21.09	19.83	19.33	19.39	21.41	20.92	21.62	22.41	23.06
March.....	18.77	21.50	19.58	19.22	19.07	21.18	21.60	21.27	18.61	21.04
April.....	18.30	20.85	20.17	18.96	18.96	20.29	20.21	21.21	19.68	22.51
May.....	19.52	24.19	19.86	19.49	18.96	17.78	19.55	20.55	19.16	22.51
June.....	19.97	21.92	19.86	20.58	18.37	17.36	19.02	21.58	21.39	22.14
Average.....	20.62	22.62	20.50	20.89	19.74	22.37	20.13	21.47	22.53	24.24

Giving, as the general average first cost, 21.53 cents, being a small decrease from that of the previous twelve months.

As required by the act of March 3, 1865, the Subsistence Department has furnished tobacco to such of the enlisted men of the Army as desired it, at cost prices. The value of that received by each soldier is*

charged against him on the muster and pay rolls, and deducted from his pay by the Pay Department, and the amount so deducted is returned to the proper appropriation by transfer at the Treasury. During the past fiscal year the average monthly value of tobacco so furnished has been \$16,048 41.

Subsistence supplies have been furnished the Bureau of Refugees, Freedmen and Abandoned Lands during the year 1869-70, to the value of \$47,215 06, all of which has been refunded to the subsistence appropriation, or notification received that the proper transfer at the Treasury has been requested.

Under the provisions of section 16, of the act of June 30, 1834, subsistence stores valued at \$71,396 97 have, during the last fiscal year, been issued to Indians at military posts on the frontier, or in their respective nations.

During the fiscal year ending June 30, 1870, under the instruction of the Secretary of War, given in compliance with a request of the Secretary of the Interior, the Subsistence Department has furnished for the Indian Department large quantities of subsistence for the Indians placed on the reservations at Cheyenne, Whetstone, Grand River, Yankton, and Crow Creek agencies, and at other points on the Upper Missouri River; also, at Fort Sill and Camp Supply, in the Indian Territory. The quantities and kinds of supplies so furnished were designated by the Indian Department, and the expenses incurred in furnishing them are to be reimbursed to the subsistence appropriation, from the appropriation made by section 4 of the act of April 10, 1869. The amount expended for this purpose is estimated at about \$1,600,000, and a detailed statement thereof is now making preparatory to a settlement with the Indian Department, the Subsistence Department having ceased, on June 30, 1870, to furnish such supplies at these points for Indians.

Supplies have also been furnished for Indians in New Mexico and Texas, amounting to about \$40,000, the value of which is to be refunded to this Department by the Indian Bureau.

The payment of the commutation of rations to Union soldiers, prisoners of war, and to their heirs authorized by the joint resolution of July 25, 1865, and section 3, act of March 2, 1867, has been continued, and 6,018 certificates in such cases have been received and paid.

Five thousand five hundred and eighty-two claims, amounting to \$3,004,047 44, properly coming under the act of July 4, 1864, providing for the payment, in certain cases, for subsistence taken and used by the Army during the rebellion, have been received. Of these 4,356, amounting to \$2,608,152 06, have been examined and disallowed, and 1,133, amounting to \$316,639 46, have been recommended to the Third Auditor for settlement, in the aggregate sum of \$231,639 36.

From July 1, 1869, to June 30, 1870, there were received at the office, from 646 officers who have performed duty in the Subsistence Department, 3,486 returns of provisions, 3,379 returns of commissary property, 3,726 accounts current.

All the above, and those remaining from the previous year, making in all 10,695 accounts and returns, have been examined and transmitted to the Third Auditor for final settlement.

Several cases have been submitted and received favorable action, under the act of June 23, 1870, authorizing the settlement, in certain cases, of the accounts of officers disbursing during the rebellion. Under this generous act deserved relief will be received by many worthy officers, who having, by the chances of war, but through no fault on their

part, lost funds, vouchers, or property, would otherwise have been unable to close their accounts with the Treasury.

I have the honor to be, very respectfully, your obedient servant,

A. B. EATON,

Commissary General of Subsistence.

Hon. W. W. BELKNAP,
Secretary of War.

REPORT OF THE SURGEON GENERAL.

WAR DEPARTMENT, SURGEON GENERAL'S OFFICE,
Washington, D. C., October 13, 1870.

SIR: I have the honor to submit the following statement of finances and general transactions of the Medical Department of the Army for the fiscal year ending June 30, 1870:

FINANCIAL STATEMENT.

The funds subject to requisitions from this Bureau during the past fiscal year may be reckoned as belonging to four different appropriations:

I. Appropriation for the Medical and Hospital Department, available for the ordinary and current expenses of the service.

Balance in the treasury July 1, 1869.....	\$1,262,977 53
Balance in the hands of disbursing officers.....	161,697 90
Annual appropriation by act of March 3, 1869.....	247,000 00
Received during the year from sales.....	262,863 00
Received from Quartermaster's Department for property lost in transportation.....	391 35
Received by refundment from other departments.....	11,421 19
Received from Pay Department for board of officers in hospital.....	371 50
Received from former disbursing officers to close their accounts.....	116 56
Received from all other sources.....	39 33
	<hr/>
	1,946,878 45
	<hr/>

Of this amount there was disbursed—

For the purchase of supplies.....	\$110,915 61
For pay of private physicians.....	22,153 48
For pay of hospital attendants.....	2,246 80
For board of sick soldiers in private hospitals.....	339 42
For *artificial limbs for officers, soldiers, and seamen.....	19,870 00
For expenses of purveying depots.....	63,202 01
For revenue tax on salaries.....	1,065 26

* Furnished during the year 171 legs, 112 arms, 6 feet, and 12 apparatus.

For miscellaneous expenses, including expenses of medical examining boards, of the offices of medical directors, of the Army Medical Museum, and of the library of the Surgeon General's office, under act of March 3, 1869, (15 U. S. Stat., p. 316).....

\$16,838 45

\$236,631 03

Amount expended since October 8, 1867, from the "sick and wounded soldier's fund," but now refunded under authority of joint resolution No. 13, approved March 1, 1870.....

103,183 20

Balance in the treasury June 30, 1870....

\$1,388,634 99

Balance in the hands of disbursing officers.....

218,429 23

1,607,064 22

1,946,878 45

II. Appropriation of \$750,000 under the act approved March 3, 1869, (chap. cxxiii,) for the purpose of enabling the Secretary of the Treasury to settle the accounts of disbursing officers, &c.

Balance in the treasury July 1, 1869.....

\$508,048 82

Transferred during the fiscal year.....

358,028 12

Remaining June 30, 1870.....

150,920 70

III. Sick and wounded soldiers' fund, created by authority of the amendatory enrollment act of February 24, 1864, section 17.

Amount remaining unexpended July 1, 1869.....

\$279,262 84

Amount previously expended by the Medical Department.....

96,076 02

Original amount of fund.....

375,338 86

The whole of which was transferred to the National Asylum for Disabled Volunteer Soldiers, in accordance with joint resolution approved March 1, 1870.

IV. Appropriation for the comfort of sick and discharged soldiers, (act of July 5, 1862, chap. cxxxiii, section 1.)

Unexpended balance July 1, 1869.....

\$339,229 14

Expended during the year in transporting destitute discharged soldiers to their homes, or to Soldiers' Asylums.....

\$11,237 87

Subsisting destitute and disabled soldiers in private hospitals.....

12,627 20

Remaining unexpended June 30, 1870.....

315,364 07

\$339,229 14

The monthly reports of sick and wounded received at this office for the fiscal year terminating June 30, 1870, represent an annual average mean strength of 29,022 white and 3,407 colored troops.

Among the white troops the total number of cases of all kinds reported as taken on the sick list was 62,580, being at the rate of 2,156 per 1,000 of mean strength. Of these, 53,836, or 1,855 per 1,000 of strength, were for disease alone, and 8,744 cases, or 301 per 1,000 of strength, were wounds, accidents, and injuries.

The average number constantly on sick report was 1,419, or 49 per 1,000 of strength. Of these, 1,156, or 40 per 1,000 of strength, were under treatment for disease, and 263, or 9 per 1,000 of strength, for wounds, accidents, and injuries.

The total number of deaths reported was 374, or 12 per 1,000 of mean strength. Of these, 249, or 8 per 1,000 of strength, died of disease, and 125, or 4 per 1,000 of strength, of wounds, accidents, and injuries. The above mortality rate for white troops from disease shows a considerable improvement over the ratios of former years.

The comparatively large mortality from wounds, accidents, and injuries is explained by the Indian hostilities, which still continue to exist. It is to be regretted that the figures representing the mortality from disease among the colored troops are not so favorable.

The proportion of deaths from all causes to cases treated was 1 death to 167 cases.

Seven hundred and forty-five white soldiers are reported to have been discharged on "surgeon's certificate of disability," being at the rate of 26 per 1,000 of mean strength.

The reports from the colored troops give the following figures, which do not include the white officers.

The total number of cases of all kinds reported was 6,206, or 1,822 per 1,000 of strength. Of these, 5,479, or 1,608 per 1,000 of strength, were cases of disease, and 729, or 213 per 1,000 of strength, were wounds, accidents, and injuries.

The average number constantly on sick report was 178, or 52 per 1,000 of strength, of whom 146, or 43 per 1,000, were under treatment for disease, and 32, or 9 per 1,000, for wounds, accidents, and injuries.

The number of deaths from all causes reported was 66, or 19 per 1,000 of strength. Of these, 51, or 15 per 1,000 of strength, died of disease, and 15, or 4 per 1,000, of wounds, accidents, and injuries. It will therefore be perceived that, while the rate of mortality from wounds and injuries among the colored troops agrees with that among the white troops, their rate of mortality from disease alone is nearly double. The proportion of deaths from all causes to cases treated was 1 to 94 cases.

The number of discharges on "surgeon's certificate of disability" was 104, being at the rate of 31 per 1,000 of mean strength.

The demands made on the record and pension division of this office for information with regard to "cause of death" in the case of soldiers whose widows or heirs are applicants for pensions, and with regard to the particulars of "treatment" and "cause of discharge for disability" in invalid cases, have not diminished during the year. Such information as the records of the office contain has been furnished in reply to inquiries from the Pension Bureau in 16,514 cases; to the Adjutant General of the Army in 5,124 cases; and to miscellaneous inquiries in 890 cases, making a total of 22,528 cases. The number of hospital stewards appointed for this important work, under the provisions of section 17 of the act of Congress approved July 28, 1866, is not sufficient to discharge it properly, with that promptitude which appears to me to be desirable. At the close of the fiscal year, June 30, 1870, 3,440 applications for information from the sources above named

awaited answer. Since that time applications have continued to be received more rapidly than they can be disposed of, and there is no reasonable hope that the work can be executed with proper dispatch, unless an increased number of stewards is allowed for the purpose. To obtain satisfactory information in reply to most of these inquiries, a tedious examination of the records is required, and justice to the Government, as well as to the applicants for pension, demands that the search should be carefully conducted.

The number of record books on hand, June 30, 1870, was 15,854. The number of names in the alphabetical register of deaths is 289,928. The number of names in the alphabetical register of discharges on surgeon's certificates of disability is 188,031.

In the division of surgical records of this office, there were 5,681 cases of wounds, and 484 histories of surgical operations revised and entered on the permanent registers. Ten thousand nine hundred and forty-five brief histories were copied, and await entry. The terminations of 10,820 cases were searched in the records of this office, or in the records of the Adjutant General's Office and Pension Bureau, or in the records of State officials. Four hundred and seventy-seven quarterly surgical reports were received, examined, and filed. Forty-eight special reports were received, examined, and indexed. Seven hundred and ninety-four letters, and 123 indorsements, besides the routine printed communications, were transmitted, and 1,130 letters were received.

Three thousand and twenty-nine photographs were printed, 106 woodcuts were made, 153 pages of the Surgical History, 272 pages of the Appended Documents to the Medical and Surgical History, and 59 histories of photographs, or abstracts of cases to accompany photographs, were printed.

The printing of the medical volume of the first part of the Medical and Surgical History of the War is near completion. This volume embraces the statistical tables representing the sickness, mortality, and discharges from service on surgeon's certificate of disability, of white and colored troops during the war, and will be a work of nearly 750 pages, quarto. To secure accuracy, the tables were stereotyped as they were finished, and before finally sending them to press they have been thoroughly revised throughout, and every effort made to attain accuracy. With this volume will be bound the appendix to the first part of the Medical and Surgical History of the War, containing the reports of medical directors, and other appended documents—about 400 pages.

The whole of the manuscript for the surgical volume of the first part of the Medical and Surgical History of the War, authorized by the act of Congress approved March 3, 1869, is now prepared, and several of the more important subjects that would belong to the second volume, as, for example, the tabular statements, discussions, histories of typical cases (with illustrative woodcuts and lithographs) of 29,572 cases of amputations, and 4,775 excisions, are nearly perfected. Besides this, the surgical statistics of the Army for the five years succeeding the war have been consolidated and arranged for publication, and much information has been furnished to authenticate just claims of applicants and to defeat those that were fraudulent, under the act of Congress authorizing the issue of artificial limbs to mutilated soldiers and seamen. The effect of this law, in bringing to Washington a large number of pensioners to present their claims, has permitted the study of the remote effects of injuries and mutilations. The peculiar value which the surgical data of the late war have acquired in consequence of the measures taken to trace the ulterior results of the more important cases cannot be overes-

timated. In the reports of the surgery of European wars, and of campaigns in India, Abyssinia and elsewhere, the history of cases terminates when the men were invalided or discharged. Although the elaborate reports of the casualties of the French armies in the Crimean and Italian wars were published in 1865 and 1869, after an interval of ten years from the conclusion of hostilities in each case, no information is given subsequent to the date of discharge or pension.

The abstracts of cases in this office are invariably traced to the date of publication. In this connection, I would reiterate an expression of obligation to the Commissioner of Pensions, and many of the examining surgeons of his Bureau, to the adjutants general and surgeons general of many of the States, to many retired volunteer medical officers and private practitioners, and also to many of the southern surgeons, who occupied prominent positions in the late confederate service, for the cordial manner in which they have coöperated in the labor of collecting details and particulars necessary to perfect the surgical data of this office.

The collections of the Army Medical Museum were augmented by the addition of 119 specimens to the surgical section, 73 to the medical, 766 to the microscopical, 169 to the anatomical, 144 to the section of comparative anatomy, and 11 to the miscellaneous section. The number of catalogued specimens at the date of my last annual report was 12,220, and is thus increased to 13,502. Great success has been obtained in the microscopical section in the direction of photomicrography.

There has been a very steady and uniform increase in the various collections of the Army Medical Museum. The Indian hostilities, and the accidents of the field, and camp and garrison, have afforded the opportunity of collecting some illustrations of the injuries inflicted by weapons—a class of specimens in which the museum is already surpassingly rich—but the more numerous contributions to the surgical section have been of specimens illustrating pathological processes, or the remote effects of injuries.

The collections now include 897 human crania, and 34 skeletons. Elaborate tables have been prepared, exhibiting their measurements. The diameters, facial angle, internal capacity, and position of the *foramen magnum* are indicated for each cranium. It is hoped that the publication of this important contribution to anthropological knowledge will be authorized by Congress. The tables, arranged to correspond with those published in the *Crania Americana* of Samuel George Morton, would worthily supplement that great work. The museum possesses a larger number of skulls from tumuli, and of crania of North American Indians, than are elsewhere collected, and it would appear due to ethnologists throughout the world that descriptions of the specimens should be published, as was done by the Russian government for the collection of Professor von Baër at St. Petersburg.

Thirty-six quarto volumes, each containing 50 photographs of surgical cases, with descriptive letter press, have been distributed to the principal medical schools and societies in this country and Europe. The expressions of appreciation with which they were acknowledged by the leading surgeons of New York and Philadelphia, of London, Paris, Berlin, and Vienna, are a legitimate source of gratification, as evidences of the success of this office in making known to the surgical world the "dearly-bought lessons of the war."

The relations of the museum with other institutions, with a view to interchange of specimens, have been extended. A valuable series of casts of anatomical specimens was received from M. Quatrefages, of the

College of France. Specimens have been exchanged with mutual advantage with the Smithsonian Institution, the Agricultural Bureau, the museum of the College of Physicians of Philadelphia; the museum of the New York Hospital, the Peabody Museum at Cambridge, the Blackmore Museum in England, and the anatomical collection at Oxford, England.

Thirty volumes of photographs, and many duplicate osteological specimens and plaster casts, are now on hand for exchange.

It is scarcely necessary to adduce proofs of the practical utility of the collections of the Army Medical Museum. Besides affording a field of study for medical officers, indispensable to the acquirement of the fullest knowledge of the special duties required of them, the illustrations of military surgery and of camp diseases contained in the cabinets have greatly promoted general professional knowledge on these subjects; and it is noticeable that, in the standard German systematic work on surgery, by Billroth and Von Pitha, in the last edition of the English System of Surgery by Holmes, in Didiot's "Service de Santé des Armées," and in nearly all works on military medicine and surgery printed in the last five years, the majority of the woodcuts are derived from the specimens in the United States Army Medical Museum.

It is a matter of gratification that, as the purposes of the museum have become more widely known, many field and line officers of the Army, and many practitioners in civil life have sent contributions to it. Many donations of natural history specimens, of stone implements, and objects of archæological interest have been received, and have been very valuable as articles of exchange with other museums, for objects more strictly pertaining to the province of the Army Medical Museum.

The number of visitors to the museum, who registered their names during the year, was 17,669. Among them were many officers of the United States Army and Navy, European army and navy officers, and students and scientific men of different countries, several of whom came here expressly to examine and study the collections.

At the date of my last annual report, 2 vacancies in the grade of surgeon, and 42 in that of assistant surgeon, United States Army, existed. During the past year, 4 assistant surgeons have resigned, and as the act of Congress dated March 3, 1869, still continues in force, no vacancies have been filled. Total number of vacancies at present time, 2 surgeons, and 46 assistant surgeons. The number of commissioned medical officers available for duty with troops on the 30th of June, 1870, was 147; on leave of absence, 4; on sick leave, 4. The estimated number of troops in service at that period was 32,429. There were 217 military posts, besides numerous detachments serving in the field and on outpost duty, each requiring a medical officer. The number of commissioned medical officers being inadequate, contract surgeons are employed, as heretofore; but it would be more economical and satisfactory to be able to fill the existing vacancies in the regular medical staff of the army. So long as our extended frontier exists with its isolated military posts and moving detachments of troops, so long will the medical staff be required to be kept up to the standard number allowed by existing laws, and any reduction of that number will be prejudicial to the best interests of the military service.

J. K. BARNES,

Surgeon General, United States Army.

Hon. W. W. BELKNAP,

Secretary of War.

REPORT OF THE PAYMASTER GENERAL.

PAYMASTER GENERAL'S OFFICE.

Washington, October 20, 1870.

SIR: I have the honor to submit my annual report of the transactions of the Pay Department of the Army for the last fiscal year, ending July 30, 1870.

Tabular statements accompanying show in minute detail all the financial operations of the Department for the year. The following is a summary thereof:

Balance on hand at the beginning of the fiscal year July 1, 1869.....	\$3,633,677 00
Received during the fiscal year from the treasury.....	19,830,000 00
From other sources.....	363,175 00
Total.....	<u>23,826,852 00</u>
Disbursed to the Army, including the Military Academy	\$14,831,370 00
Disbursed bounties to volunteers.....	5,615,801 00
Balance in the hands of paymasters to be accounted for in next report.....	3,379,683 00
Total.....	<u>23,826,852 00</u>

All the requirements of the Department have been executed with regularity and promptness.

The Army has been fully paid to the end of the fiscal year.

The large issue of treasury certificates, for the satisfaction chiefly of volunteer bounties, amounting during the year to a sum exceeding five and a half millions of dollars, has been promptly met at this office, and payment transmitted to the respective claimants throughout the country.

PAYMASTERS.

The number of paymasters allowed by the law reorganizing the Army, July 28, 1866, is 60.

Deaths and resignations have reduced the number to 55, the present force. The law prohibits the filling of vacancies in the staff departments till Congress shall otherwise direct. The work of this Department has not, so far, been retarded by that restriction, but a further reduction of the number of the paymasters cannot safely be borne while the number of military posts remains, as now, some 320, scattered in isolated garrisons over a limitless range of unsettled Indian country. It is this multitude of widely scattered, small stations, stretching over the entire area of our wide-spread possessions, and not at all the numbers and strength of the Army, that creates the necessity for so large a force of paymasters. The whole of the list now in service, as far as it is possible at any time to make it available, (a small percentage will unavoidably at all times be off duty from sickness and other causes) are unceasingly employed to keep up the payments to the standard of frequency and promptness required by the law.

I therefore respectfully recommend that Congress be asked to repeal the restriction, so that vacancies hereafter occurring in this Department may be filled.

SALARIES TO OFFICERS.

The new system of paying the officers of the Army by salaries appropriate to their grades, as fixed by the law of July last, is now in full working order throughout. It is a much approved change, simple and homogeneous, obviating the complications of the old system. It is received with universal satisfaction in all quarters.

RECONSTRUCTION.

The disbursements incurred in carrying out the reconstruction laws are very nearly closed in all the districts. There are doubtless some outstanding valid claims not yet presented for payment, but they must be of inconsiderable amount. The unexpended balances of the reconstruction appropriations will be more than sufficient to cover all just demands.

The following are the results summarily stated:

Total of the appropriations from March 30, 1867, to April 20, 1870.....	\$3, 139, 799 80	
Total amount received from fines, refunds, sales, &c.....	18, 926 96	
Total receipts.....		\$3, 158, 726 76
Total of disbursements to the 17th September, ultimo.....	\$2, 975, 972 23	
Amount of internal revenue tax paid into the treasury.....	47, 526 90	
Total disbursements.....		3, 023, 499 13
Balance in the hands of reconstruction paymasters...		135, 227 63
The sum of \$2,975,972 23 so disbursed for reconstruction expenses in the several districts has been as follows:		
First district.....	\$550, 424 34	
Second district.....	386, 902 15	
Third district.....	342, 539 44	
Fourth district.....	854, 693 93	
Fifth district.....	841, 412 37	
Total.....		2, 975, 972 23

Respectfully submitted.

B. W. BRICE,
Paymaster General.

The Hon. the SECRETARY OF WAR.

REPORT OF THE CHIEF OF ENGINEERS.

OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D. C., October 25, 1870.

GENERAL: I have the honor to present for your information, in accordance with instructions of the 12th instant, the following report upon the duties of the Engineer Department during the fiscal year ending June 30, 1870.

OFFICERS OF THE CORPS OF ENGINEERS.

The number of officers in the Corps of Engineers, at the end of the fiscal year, was 106 on the active list, and 6 on the retired list. In addition, the corps was aided in the performance of the duties intrusted to it, by officers detailed from other arms of service and a number of civil engineers, geologists, &c.

Since the last report, the corps has lost by death Captain George Burroughs, brevet major United States Army, and one captain and three lieutenants by resignation, making five in all.

On the 30th of June, 1870, the officers were distributed as follows:

On duty in the office of the Chief of Engineers, including the Chief	4
On duty with boards of engineers, for fortifications.....	8
On duty with battalion of engineers.....	18
On duty, construction of fortifications.....	12
On duty, survey and construction of river and harbor improvements,	20
On duty, construction of fortifications and river and harbor im-	
provements.....	12
On duty, in charge of public buildings, grounds, &c.....	1
On duty, survey of northern and northwestern lakes.....	6
On special duty.....	2
Awaiting assignment.....	1
Detached, on duty with generals commanding divisions, depart-	
ments, &c., Light-house Establishment, Military Academy, &c..	22
Total.....	<u>106</u>

The officers detailed were on duty, as follows:

Lieutenant Colonel I. C. Woodruff, engineer third and fourth light-	
house districts.....	1
Major G. H. Elliot, engineer secretary to Light-house Board.....	1
Major Henry M. Robert, on staff of major general commanding	
Military Division of the Pacific.....	1
Major O. E. Babcock, on duty with the President of the United	
States.....	1
Captain John W. Barlow, on staff of Lieutenant General, command-	
ing Military Division of the Missouri.....	1
Captain G. L. Gillespie, engineer tenth light-house district.....	1
Captain W. J. Twining, engineer sixth light-house district.....	1
Captain David P. Heap, on staff of commanding general Department	
of Dakota.....	1
Captain C. B. Phillips, on staff of commanding general Department	
of the Missouri.....	1
Captain William A. Jones, on staff of commanding general Depart-	
ment of the Platte.....	1
Captain Lewis C. Overman, on staff of commanding general De-	
partment of Texas.....	1
First Lieutenant G. M. Wheeler, on staff of commanding general	
Department of California.....	1
First Lieutenant D. W. Lockwood, on duty at headquarters Mili-	
tary Division of the Pacific.....	1
First Lieutenant Clinton B. Sears, on duty at headquarters Military	
Division of the Pacific.....	1
Brevet Second Lieutenant J. B. Mackall, on staff of commanding	
general District of New Mexico.....	1

Captain P. S. Michie, Captain G. J. Lydecker, First Lieutenant James C. Post, First Lieutenant James Mercur, First Lieutenant J. C. Mallery, Second Lieutenant A. H. Payson, and Brevet Second Lieutenant E. W. Bass, on duty at the Military Academy..... 7

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The following officers of the army were on duty during the year under my orders: Lieutenant Colonel J. H. Wilson, United States Army; Second Lieutenant E. F. Hoffman, United States Army.

The following principal civil engineers and geologists were employed on the 30th of June: Clarence King and H. C. Long; while besides these were many others employed as assistants on the works of survey, improvement, and construction.

SEA COAST AND LAKE FRONTIER DEFENSES.

During the past year the work upon the defenses of our coasts and lake frontier has been confined principally to the protection of sites, to the necessary repairs, and to the erection of such structures as were required for the protection from the weather of the unfinished parts. While progress in the construction of the defenses was thus necessarily limited by the want of available means, there has been no relaxation of labor in the projection of plans for the modification of existing works to adapt them to the enlarged armaments, and for new works to give additional strength to the defenses of our harbors. The greater part of the projects thus far perfected do not involve the immediate use of iron, but are confined mainly to structures in earth and sand in the form of barbette and mortar batteries, with strong profiles, and thoroughly protected from enfilading and reverse fires by numerous traverses and parapets. This system of strengthening the defenses of our harbors, submitted by the board of engineers for fortifications, and concurred in by myself, the General of the Army, and the Secretary of War, was arrived at after a series of experiments with modern projectiles upon iron shields and earth and sand parapets, made under the direction of the Engineer Department, with the sanction of the Secretary of War; from the considerations of similar experiments by foreign nations; and from our experiences in the recent war. The conclusions of the board to whom these experiments were intrusted, as to the direction in which further progress should, at present, be made, in providing for the defense of our harbors, are as follows:

First. By the arranging, whenever the site will permit, of cheaply constructed barbette batteries, without breast-height walls, and with wooden platforms for the guns. Such battery may readily be modified hereafter so as to adapt it to the use of a depressing (or counterpoise) carriage, and should, unless on a very elevated site, be planned with this view.

Second. The substitution for the barbette carriage of one which will admit of the depression of the gun below the crest of the parapet for loading. Earth is the cheapest and best of all materials to stop shot. But the common system of barbette mounting—that is, so as to fire over an earthen parapet, which was pretty sure to fail under the old system of things whenever the batteries were low and could be closely approached—is, under the same or even much more favorable circumstances, almost inadmissible for the enormous guns of the present day, in consequence of the unavoidable exposure of the gunner during the laborious process of loading. The English are understood to have adopted the Moncrieff carriage, a device of great merit. A working model of a carriage on identical the same principles, invented by the late Brevet Brigadier General Dessey many years ago, is now in possession of the Engineer Bureau. Under this and other forms this subject is being now studied, and in the achieving of a practicable result

to which they should be employed are subjects which, though old in themselves, have become new, inasmuch as all the conditions are new. It does not seem to be within the sphere of the board to take up the questions involved in all their extent, but they have thought it proper to present the subject in its proper aspects.

Seventh. It need scarcely be added that shore batteries, however perfectly constructed, are of no avail against their iron-clad antagonists unless armed with the most powerful artillery. The Corps of Engineers has ever insisted upon the paramount importance of large calibers for its batteries. The fifteen-inch smooth bore, the first successful step toward the modern increase of calibers, may be claimed as the result of the zealous labors of the Ordnance Department to meet the demands of the engineers; and the twenty-inch gun was but another step taken expressly to provide an almost irresistible weapon for harbor defense. It is stated that the Prussians are employing the fifty-ton gun of Krupp (an equivalent to our twenty-inch gun) for the defense of the port of Kiel, and the desirableness of guns of such power for the defense of the great ports and harbors is indisputable. It is not the province of the board to indicate what particular kind of gun is to be preferred, but it feels called upon to note the necessity for their provision as the first and most indispensable element of harbor defense.

In presenting its report on the recent experimental firings, the board has thought it necessary to give in the foregoing a review of the means and requirements for coast defense as they now exist or as they may be developed, and to indicate the path in which progress may most rapidly be made.

The modification of casemated works is not included in the preceding recommendations, because so far (from experiments in this country, and as far as known in foreign countries) no satisfactory shield for the front of the casemate has as yet been devised. The principal experiments made by us thus far to determine a proper casemate shield, carried on at Forts Monroe and Delaware, established the fact that the masonry afforded a sufficient resistance to justify the modification of existing casemate works by the introduction of metal shields in those thin portions of the scarp wall immediately surrounding the embrasure. When such a shield can be obtained at moderate cost to put in the gun recess, our casemated works, with proper armaments, can be rendered effective for defense.

The experiments referred to in this connection are described, and the conclusions deduced therefrom stated, in the report of the board, as follows:

This target (experimental casemate shield at Fort Monroe) represented a casemate of masonry, in which the entire scarp end of the casemate was closed by an iron shield, through which the embrasure opening was made. The prominent objects kept in view in this design were twofold:

1. To determine by experiment whether masonry, in masses of considerable depth and thickness, might not yet be used in connection with iron for new constructions, so as thereby to reduce the iron work to a mere shield in front of the gun.
2. To test a particular form of shield designed by special reference to the arrangement in question.

The excessive cost of even a single casemate, in which the whole scarp front shall be of iron, will sufficiently explain the motive which influenced the desire to combine, if practicable, a less costly material with iron.

The iron shield itself was simple in design, consisting mainly of two cheek-plates twelve feet long, four feet wide, and one foot thick, each resting against two iron posts fourteen feet long, one foot wide, and fifteen inches thick, inserted into the arch above and the masonry floor below.

The granite pier was struck by four fifteen-inch iron or steel shots of four hundred and fifty to four hundred and eighty-five pounds each, fired at a simulated range of five hundred yards, which did not seriously impair the stability of the pier, though its front was much damaged. This was doubtless in part owing to its projection from the general face of the scarp, and to its being without load, and having, therefore, little support from the continuity of structure or superincumbent weight. The left pier, built, for economy, of concrete, faced with brick, failed to give satisfactory resistance. Only one of the four shots—that aimed obliquely at the junction of the iron with the pier—produced injurious or even visible effects on the interior surfaces. That one threw off dangerous fragments from the granite immediately behind the point of impact of the shot.

The shield was struck by six shots, generally hitting about the middle of the width

sea-coast and harbor defense was originally devised, admitted even at that early day, (1816,) when wooden sailing ships were agents of naval attack, the necessity in certain cases of "obstructions." In a report of the board of 1840, just subsequent to the earliest successful applications of steam to ocean navigation, the following language is used with regard to them:

"If, after having occupied the shores in the narrow places in the best manner with batteries, we are of opinion that the temptation may induce the enemy, notwithstanding, to run the gauntlet, the obstruction of the channel must be resorted to. By this is not meant the permanent obstruction of the passage; such a resort, besides the great expense, might entail the ruin of the channel. The obstruction is meant to be the temporary closing by heavy floating masses."

The temptation to run the gauntlet, which a particularly fair wind and tide might offer to a fleet of sailing vessels, would be very slight, indeed, to that offered by the possession of a motor independent of wind and tide. It was the recent application of steam to vessels of war which thus brought up the subject so prominently before the board of 1840. But in this connection the change from wind to steam as a motor was scarcely more important than that from wood to iron as a material of construction. Though steam would carry with equal speed the unarmored and the armored vessel past shore batteries, the latter, comparatively *invulnerable*, need pay little heed to missiles which would cripple or destroy a wooden ship. Accordingly we find the necessity of some means of preventing this "running the gauntlet," whether by obstructions or torpedoes, or both, to be now universally admitted.

When, during the civil war, there was apprehension of foreign interference, the greatest solicitude was felt for the security of our great seaports under such a contingency. A commission of eminent civil engineers and others was appointed by the governor of the State of New York, in 1862, "to devise and report a plan for obstructing the passage of an enemy's ships of war into the harbor of New York through the Narrows." The plan thus devised would doubtless be an effectual barrier, but it was one which, very costly, would require many months to construct. The tendency of modern warfare is to become sudden, sharp, and brief, and an obstruction, to fulfill its intention, must, like guns and forts, be prepared beforehand for application at the moment of emergency, or it must be susceptible of *improvisation* from materials everywhere accessible.

The engineer officer in charge of the defenses of Washington in 1863, fully impressed with the importance of devising a channel obstruction which should fulfill the conditions, as well as of having a means of closing the approaches to Washington, by the Potomac, against iron-clads, obtained, through the recommendation of the Secretary of War, an appropriation of \$300,000 for "floating obstructions" for the Potomac. Before attempting an application of this fund to actual construction, a new and thorough study of the subject was undertaken. The suggestions of former boards of engineers, and the plans of the New York commission, and many others, (particularly a very meritorious and original one of Mr. W. P. Trowbridge, formerly of the Corps of Engineers,) were consulted, and the subject was finally committed to Lieutenant Colonel (now Brevet Brigadier General) B. S. Alexander, of the Engineers. The result of his studies, prolonged through nearly two years, was the development of a plan which was recommended by a board of engineers for experimental trial, and a section has accordingly been constructed, under the directions of the Chief of Engineers, to be submitted to trial in the Potomac River. In this plan, which has many peculiar features, a minimum of timber necessary for flotation is employed, which, as also the non-work, can be prepared and stored ready for emergency.

Sixth. Floating batteries or harbor-defense vessels. The issue raised as to the employment of shore batteries or floating batteries has been so ably met in reports of former boards of engineers that nothing further would need be said if that issue remained unchanged. In that case the proposition that floating batteries, of all defensive arrangements the most costly to prepare, the most expensive to maintain, and, withal, exceedingly perishable, are *not* needed where the waters to be defended can be thoroughly swept by shore batteries, would be as true now as it was twenty-five years ago. But we cannot assert that the issue remains unchanged. All now admit that shore batteries cannot alone certainly prevent the passage of hostile vessels which accept the risks of "running the gauntlet," and all equally admit that a well-devised armored "floating battery," combining the powers of the battery and the "ram," may be a very valuable accessory. A half dozen light-draught "rams," invulnerable to tillery fire, stationed on the shoals of the east and west banks, would be in themselves exceedingly formidable to the hostile fleet which, to approach New York, must find itself in single or double file to make its way up from Sandy Hook through the narrows. They would be equally or more formidable to the same fleet assembled in a lower bay, while making preparations for an attack. The arguments for the relative claims of shore and floating batteries cannot, therefore, be considered the same as they were a few years ago, and it may be necessary to a good defense to have their aid at all our important harbors. What is the best form of such structures and the extent

5. The thin skin of iron lining the sides and top of the opening through the scarp served fully the purposes for which it was introduced; but it may well be thought that it will be worth while, in case it should be determined to introduce this modification into our works, to incur the further cost of increasing the thickness of this lining, in order to give greater stability to the surrounding masonry and to guard against fragments being carried by oblique shots through the embrasure into the gun room.

6. The iron of the plates was noticeably hard and brittle, and the laminæ indicated imperfect welding. In these respects the plates seemed inferior to those in the Fort Monroe shield, instead of better, as had been expected. A softer and tougher iron would undoubtedly have given better results.

On the whole the results of the experiments upon this target were so far favorable as to justify, in the opinion of the board, further development and test of the plan. Any preliminary tests may be made of the shield and its supports distinct from its masonry connections, thereby avoiding the cost of fitting it to the casemate.

It may be remarked, in connection with this project for modifying our existing works, that the adoption of heavier guns will render a less number necessary for the defense of any given point, and that it would be sufficient, probably, to use every other casemate; in which event the intermediate ones would be available for various purposes—the scarps of these being strengthened to any desired extent by adding to the interior, which would also give greater mass to the piers adjacent to the scarp, which are weak points of our present casemated structures. These intermediate casemates would also afford convenient *well* for the counterweights of depressing barbette carriages, should any device of the kind be found by experiment to meet our wants.

GENERAL CONCLUSIONS.

The results exhibited by these experiments do not enable the board to recommend any plan of construction for casemates or shields for sea-coast or harbor-defense batteries. The inadequacy of methods of construction hitherto used is fully proved, but the proper or best substitute for them is not clearly indicated. It has been hitherto assumed rather than demonstrated that iron is the true substitute for masonry. A resort to it may be compulsory in some cases, but it will not do to embark upon extensive construction in that material upon assumption, nor to ignore the probability, in this era of change in the instruments of warfare, of wasting the treasures of the nation upon structures which may be as unfit to resist the means of attack of a future year as those works, completed on the highest principles of art then known, in 1753, are of resisting the artillery of the present day. One of the very highest authorities, the veteran field marshal, Sir John Burgoyne, until quite recently at the head of the English Royal Engineers, remarks, in commenting upon the Gibraltar shields, "How rapidly the increasing power of the new artillery creates the necessity for additional resisting power both on shore and afloat. That which may afford adequate protection one day may be insufficient to resist the powers of the artillery that may be in existence when the shield is produced on completion of the contract." Still more recent experiments in England upon the "Plymouth" shield, upon the "Millwall," the "Chalmers," and other experimental constructions, only add to the force of these words, and show that thus far the destructive power of guns, both by increase of caliber and improvement in projectiles, more than keeps pace with protective invention.

Nor, if we look to the experience of yet other nations, do we find anything more satisfactory. The Russians appear to have gone *practically* into iron construction more extensively than any other nation, but this board has no ground to believe that the constructions employed are superior to the English designs just alluded to.

Of what has been done or is being done in other European nations we have but meager information. When it is borne in mind that a European war has been a probable contingency at any moment in the last two or three years; that equally with Russia and England, France, Austria, and Italy have, in the shape of great commercial ports and naval depots, objects of vital interest to hold against naval attack, we cannot infer, because we find no published facts to the contrary, that these nations have been inert or have neglected any practicable and well-founded measure of precaution and safety. If, therefore, it shall appear that little has been done or established with them concerning iron construction, it will be a confirmation of the opinion advanced by the board that no satisfactory results have been arrived at upon which it could be based.

We have stated that the results thus far attained "do not enable the board to recommend any plan of construction for casemates or shields for sea-coast or harbor-defense batteries;" yet if the problem is limited to resist such guns as were used in the experiments, or such as were used by the English against the Plymouth and Millwall shields, it is not to be inferred that such a construction, though necessarily costly, is considered unattainable. It is almost beyond the range of possibility that, in a real engagement with a fleet, the shields or casemates of the fort should be so severely tested as were the casemate shield at Fort Monroe and the casemate at Fort Delaware, or the English "Plymouth" and "Millwall" shields; and, indeed, it is quite probable that

of the plates, five of them being the most powerful in energy that can be delivered by modern artillery at ranges of one hundred and fifty and five hundred yards, one of which, indeed, fired by the fifteen-inch gun, with one hundred pounds of powder and a shell weighing four hundred and eighty pounds, at one hundred and fifty yards, was probably the maximum blow, estimated in foot-pounds, ever delivered upon a target. Though the shield was fractured and its supporting posts broken by these powerful shocks, every shot was stopped by it.

The posts of forged iron, though very massive, broke so readily as to indicate that such supports are inadmissible. Had the same amount of iron been applied in the form of built beams or backing plates, it is probable that the vertical supports would have afforded better results. The bearing surface of these posts was also insufficient, and the lack of some more elastic material to receive the shock upon them was very apparent; besides, they had but nine feet, instead of the whole length of the casemate arch, for their support. This small piece of arch was finally thrown down by the tenth and eleventh shots, the fifth and sixth upon the iron. The fractures and broken surfaces of the posts and plates seemed to indicate undue brittleness, and it is probable that a softer and more ductile iron would have given better results.

In conclusion, it may be stated, in reference to the main object of the experiment, which was to test the practicability of combining iron and granite, that the results show that the objections to such a combination and the difficulties in the way of overcoming them are very great. It is to be regretted that a means of supporting the shield proved by the results to be so inadmissible—the forged standards or posts—would have made the experiment less decisive of the question to be solved than it otherwise would have been. The granite, *as a mass*, stood very well, and the Fort Delaware firings were even more satisfactory in that respect. No fragments were thrown *rough* the embrasures from the external surface, but the experiment affords no conclusions on this point for the case of oblique fire on the same pier from the other direction. It seems likely that some preventive of this would be necessary, and it is pretty certain that the same would be required for the arch over the front of the embrasure. The junction of the shield and pier is another weak and dangerous point of the combination, imperatively demanding correction. These faults are serious, and the means of overcoming them not exactly obvious. Economy is the motive for resorting to such construction, and, considering the enormous cost of iron for these structures, it is a very powerful motive. If it should appear that the cost of remedying the palpable defects of a combination carries the total expense to an equality with that of a pure iron structure, the motive of economy would of course no longer exist. Yet, after the abstract experiments in Europe in iron alone, no construction has yet been arrived at which the board could recommend for adoption, and the combination of iron with granite, or with some substitute for granite, seems yet a legitimate path of experiment. In another place it will be seen that the board recommends experiments with cast iron and cast-iron concrete as a substitute in the front portions of the piers.

This experiment (casemate shield at Fort Delaware) was undertaken to test by actual trial a proposed modification of the casemates of the best of our sea-coast works. The modification consisted in the removal of the masonry surrounding the present embrasure, so as to afford an opening through which the gun could fire with the usual lateral traverse and elevation and depression, and placing an iron shield *behind* this opening which should cover the entire scarp ends of the casemate, and be so supported *rear* as to have no point of attachment to either scarp or piers. The casemate, so modified, admitted the use of a ten-inch rifled or thirteen-inch smooth-bore gun, the largest which could be introduced without a material sacrifice of horizontal traverse. The more important results of the firings may be stated as follows:

. That the masonry afforded a resistance sufficient to show that, so far as it was concerned, the proposed arrangement was not inadmissible as a means of modifying existing casemate works. This resistance exceeded that in the experiments at Fort Monroe, the difference being probably due in part to the fact that the masonry in Fort Delaware was an integral part instead of a fraction of a massive structure, and in part to the stones being *small* and the mortar thoroughly indurated.

. That the various parts of the shield were generally too light to withstand the destructive effect of the powerful projectiles to which it was subjected.

. That the horizontal joint in the rear plates, at the middle of the cheeks of the embrasure, presented a weakness in the combination which rendered it incapable of withstanding the powerful blows to which it was exposed, particularly when the impact was directly over the joint and near the edge of the embrasure opening. This it cannot be avoided in a shield of only two thicknesses, owing to the impossibility of rolling plates of adequate width, but the weakness consequent upon it may be remedied by using another thickness, otherwise required, to give the requisite strength to the shield.

. That the bracing supporting the shield must not only be stronger, but must be better secured to the shield and bed-plates. This, it is believed, may be done, or the character of the supports may be altered, if thought best.

Amount of deposits in treasury not reported to the credit of the appropriations on same date	\$701,751 91
Amount of appropriations from June 30, 1869, to June 30, 1870, including the fixed annual appropriations for arming and equipping the militia	1,448,893 26
Amount received since June 30, 1869, on account of damages to arms in hands of troops, from sales of arms to officers, and condemned stores, and from all other sources not before mentioned	2,167,202 82
Total	18,112,583 62
Amount of expenditures since June 30, 1870*	\$2,442,345 62
Transferred to Engineer's Department, balance of appropriation for railroad bridge at Rock Island	693,335 67
Amount of deposits in treasury not reported to the credit of the appropriations	99,367 76
Amount in Government depositories to credit of disbursing officers on June 30, 1870	377,754 87
Amount of appropriations in treasury on same date....	14,499,779 70
Total	18,112,583 62

The estimate for the next fiscal year, which has heretofore been submitted, was carefully prepared, and, as indicated by the remarks and explanations accompanying it, included only such objects as were and are deemed to require early attention. These explanations refer to each item of the estimate, and point out the specific manner in which each amount is to be applied.

It will be observed that the appropriations asked for are largely in excess of what they have been since the close of the war. This is owing to the fact that this Department had balances of appropriations which were preserved with great care, and drawn upon to the extent only that was necessary to carry on the reduced operations of the Department. Hence the very limited amount asked for at the last session of Congress, and no appropriation was made except for ordnance service, and some specific sums for repairs and improvements at various arsenals, including one for continuing building operations at the Rock Island arsenal.

The act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending the 30th of June, 1871, (see sections 5, 6, and 7,) by requiring all balances of appropriations, except those known as permanent or indefinite appropriations remaining unexpended at the end of the last and each succeeding fiscal year, to be carried to the surplus fund, and prohibiting the expenditure, by any Department, of any sum in excess of appropriations made by Congress for that fiscal year, has deprived this Department of the means chiefly depended upon for carrying on its limited operations, and caused it great embarrassment.

All operations at the arsenals and in the Department, except breaking up ammunition and preparing obsolete and unserviceable ordnance and ordnance stores for sale, (the cost of which is, by law, paid out of the proceeds of sales,) had to be suspended immediately.

No appropriation under the head of "Ordnance and Ordnance Stores" having been requested for this year, because of the large balance which

* Of this sum over \$59,000 is for settlement of war claims, and about \$22,000 for cartridges made for Navy Department, which has not been refunded yet.

guns protected by those constructions might have done good service. However that may be, none of them can be considered as fulfilling all conditions, or as being the best forms for such structures, to arrive at which we need further experiments and investigation on many points:

1. Improvement in the quality and manufacture of iron plates, and determining what qualities and combinations of metal are best adapted to the purpose. Some foreign plates should be procured for comparison, and test plates from American manufacturers be called for. Incidental to this is the analysis of the irons used in the shields just tried, and perhaps other irons.

2. Experiments upon cast iron or cast iron concrete, or both, as a material for piers or parts of fronts remote from the embrasures. It is understood that the latter material is being manufactured by Krupp for Prussian fortifications.

3. It is desirable to ascertain by experiment whether a concrete of lead may not be applied to the face of a shield in order to take up the greater part of the living force of the projectile; whether the same material or simple bars of lead may not advantageously be inserted *between* front plates to the same end.

4. It is important to know the exact state of iron construction in Europe at the present date, not only with regard to experimental results, (of which we are pretty well informed,) but as to its actual application to sea-coast batteries. This kind of information can hardly be obtained without personal investigation by one or more engineer officers.

In the foregoing no reference has been made to the possibility or probability that a much more powerful ordnance than any yet used may be arrayed against shore batteries. We know that some of our own turreted iron-clads—the Kalamazoo, for instance—are designed to carry 20-inch guns. The 50-ton steel rifled gun of Krupp is rated as yet more powerful, its powder charge being, as stated, from 110 to 130 pounds, and its solid steel shot weighing 1,212 pounds. In the experiments and investigations suggested the problem to make constructions capable of facing such ordnance must be kept in view.

To determine by actual inspection the extent to which iron has been introduced into sea-coast defenses by the maritime powers of Europe, three officers of the Corps of Engineers, Colonel J. G. Barnard, Lieutenant Colonel H. G. Wright, and Captain P. S. Michie were, by your order, upon my recommendation, sent abroad during the past summer, and are still engaged in their examinations. The communications relating to the mission of these officers, addressed to our ministers at the various courts of Europe, by the Hon. Hamilton Fish, Secretary of State, has insured to them, wherever they have gone, free access to all the desired sources of information.

Very respectfully, your obedient servant,

A. A. HUMPHREYS,
*Brigadier General, Chief of Engineers,
Commanding Corps of Engineers.*

Hon. W. W. BELKNAP,
Secretary of War.

REPORT OF THE CHIEF OF ORDNANCE.

WAR DEPARTMENT,
Ordnance Office, October 25th, 1870.

SIR: I have the honor to submit the following report of the principal operations of the Ordnance Department during the fiscal year ended June 30, 1870, with such remarks and recommendations as the interests of that branch of the military service seem to require.

The fiscal resources and disbursements of the Department during the year were as follows, viz:

Amount of appropriations in treasury June 30, 1869 . . .	\$13, 369, 206 44
Amount in Government depositories to the credit of dis-	
bursing officers on same date	425, 529 25

The Springfield breech-loading muskets with which the troops have been armed for more than three years continue to give satisfaction. There are about 35,000 on hand of the model of 1868. It is believed that the arm is one of the very best that has been devised, and it is worthy of consideration whether the alteration of the Springfield muzzle-loading muskets, upon this system, should not be resumed at once at the national armory which otherwise will soon be without orders for work.

As our service musket cartridges may be used in any system that will finally be adopted, I can see no reason why a supply of at least 100,000 of the muskets should not be kept on hand to meet any emergency that may arise, especially as more than a year must elapse before any system can be adopted for the military service. Many of the States are desirous of obtaining them on the quotas now due them. Our ammunition for these arms has been proven to be very superior—unsurpassed by any that has ever been made. It is all made at the Frankford Arsenal, where experiments are constantly being made with a view to the improvement in the quality of the ammunition, and the cost of its production. A very limited supply of this ammunition is kept on hand.

During the year there have been fabricated for the Navy Department, at Frankford Arsenal, 1,277,000 metallic cartridges. The cartridge boxes belonging to accouterments for muzzle-loading muskets, of which a very large number remained on hand after the close of the war, are not suitable for carrying the metallic ammunition, and should be replaced as soon as a proper model can be devised and tested. Several different kinds were examined by the board of officers which convened at Saint Louis last spring, and a small number of each kind have been made for competitive trial by troops.

Preparations are in progress for disposing of the Saint Louis Arsenal, in pursuance of the act of July 28 1868, and March 3, 1869, as modified by the joint resolution of July 11, 1870; but some delay in carrying this out will necessarily be caused by the fact that the funds which were relied upon to build quarters at the Jefferson Barracks reservation have reverted to the treasury, under the act of July 12, 1870, heretofore referred to. I have asked for an appropriation for this object. The quarters should be built before the arsenal is given up by the Department. From a personal inspection, recently made by me, of this arsenal, I am of the opinion that when the portion donated by Congress to the city of Saint Louis shall have been set apart as required, the remainder will not be more than will be needed for general army purposes. If further legislation is necessary to this end, it should be asked of Congress.

The sale of the Harper's Ferry property took place on November 30, and December 1, 1869, in accordance with the terms of the law directing the sale. The property sold for the sum of \$297,793 50; but as the law required no cash payment to be made, and directed that the property should be sold on a credit of one and two years, it is not certain that all the purchasers will comply with their agreements, and some portions of the property may have to be resold.

I respectfully renew the recommendations made in my last annual report, for the disposal of the captured lands, buildings, &c., at Shreveport, Louisiana, and in Marshall, Jefferson, Marion, and Davis counties, Texas, which were turned over to this Department at the close of the war; and also for the sale of the arsenals at Rome, New York; Vergennes, Vermont; Mount Vernon, Alabama; and Chattahoochee, Florida; also

the sale of the North Carolina Arsenal, at Fayetteville, which was destroyed during the war, and should not be rebuilt.

In my last annual report I stated that a large arsenal of construction and a depot for gunpowder should be established on the Atlantic coast, and suggested the sale of some of the large arsenals which can be dispensed with, and the application of the proceeds to the establishment of such arsenal and powder depot. Some of the arsenals referred to are situated in the vicinity of large cities, obstructing their growth, and causing anxiety and alarm to the inhabitants, on account of the dangerous materials stored in them. Their sites have become very valuable, and should be disposed of. I recommend that Congress be requested to authorize the Secretary of War to sell such arsenals as, in his opinion, are no longer required, and to apply the proceeds of the sales to the purchase of suitable sites for a principal arsenal of construction and deposit and a depot for gunpowder, and the erection thereon of suitable buildings. As the money which may be derived from this source will be sufficient for the establishment and completion of such an arsenal of construction and powder depot as are now needed, no appropriation by Congress of money to carry out my recommendation will be necessary, and economy and efficiency in the Department will thereby be promoted.

The construction of buildings and the development of water-power at Rock Island Arsenal is progressing satisfactorily.

A recent inspection of Cheyenne depot has satisfied me that a permanent ordnance depot is not needed at this time, either at Cheyenne or at any other point on the Union Pacific road. The temporary depot will be kept so long as it may be required, and this may be done without further legislation.

In my last annual report I stated that the number of enlisted men of ordnance had been reduced from 1,500 to 750. A further reduction to 500 is contemplated, and will very soon be made. These men are employed at the arsenals as guards and mechanics and laborers.

The number of ordnance officers has been reduced to 59, of which 5 are on detached duty, serving on the staffs of general officers and at the Military Academy, leaving 52 for duty in the Department. Of the number 2 are absent with leave. This number is not greater than the necessities of the Department require, for the efficient performance of the duties intrusted to it.

The act of March 3, 1869, prohibited promotions and appointments in the Ordnance Department. At the time of its passage a vacancy existed in the Department, and the name of the officer who became entitled to promotion, upon the occurrence of the vacancy—if not by positive enactment of law, certainly by long custom—had been sent to the Senate by the Executive for appointment, to date from the time the vacancy happened; the appointment was not acted upon by the Senate, and the officer now stands one grade below where he would have been had he been promoted to the vacancy when it happened. As other officers were appointed to fill vacancies which occurred prior to the act of March 3, 1869, prohibiting promotions, and were confirmed by the Senate, it is to be presumed not to have been the intention of Congress to make the act retroactive; the failure of the Senate to confirm this appointment is believed to have been unintentional, and it is thought to be only necessary that the attention of the Senate should be called to the case to insure the correction of what appears to be an injustice. I recommend that this be done.

It is further recommended that the act prohibiting promotions and

appointments in the Ordnance Department be repealed, except so far as it applies to ordnance storekeepers. These officers, as a class, are highly meritorious and efficient, and it would be very unjust to discharge them from the service; but as the positions they hold in the Department are anomalous, I think that vacancies occurring in their grade should not be filled, and that the office should be ultimately abolished.

The army has been supplied during the past year, as follows, viz: 47 field, siege, and sea-coast guns; 43 field and siege carriages and caissons, and 23 sea-coast carriages, with necessary harness and implements and equipments; 7,053 projectiles, and 55,890 cannon cartridges of various calibers; 10,524 muskets, rifles, and carbines; 3,564 revolvers, and 1,840 sabers and swords; 10,000 infantry and cavalry accouterments, and 5,020 sets horse equipments; 2,624,333 cartridges for small-arms; 119,345 friction primers; 46,120 pounds of powder, and large quantities of spare parts of arms and accouterments, and miscellaneous articles; but I regret to say, that since the 30th of June I have been compelled to decline furnishing some stores called for which were essential, but which were not on hand, and could not be procured, for the reason that there was no fund applicable to the purpose; all our appropriations for the purchase of ordnance, ordnance stores, and supplies having reverted to the Treasury, except so far as relates to payment for purchases made prior to the 30th of June, 1870.

The expenditures during the year under the appropriation for ordnance, ordnance stores, and supplies were restricted to the purchase of such materials as were required for issue to the Army, and consumption at arsenals in making up and repairing stores at forts, and in the hands of troops, and in paying for one 20-inch cast-iron cannon, and three shot for the same; one 10-inch Rodman rifle; 1,180 turned 15-inch shot; for a quantity of experimental mammoth powder, and for the alteration of 3,184 Sharp's carbines and rifles, to fit them for using metallic ammunition. The issues to the States during the same period have been as follows, viz: 17,185 muskets and carbines; 14,117 sets of accouterments for infantry and cavalry; 100 sets horse equipments; 12 field guns with carriages, caissons, harness, and ammunition; 366,930 cartridges for small-arms, and sundry other articles.

I suggested in my annual report, last year, the passage of a law authorizing officers having charge of Government establishments, to make use of any and all inventions and improvements that might be advantageously made use of in the accomplishment of the work intrusted to them, and providing how claims for damages or royalty should be ascertained and settled. I respectfully call attention to that portion of my last annual report which relates to this subject, and in renewing the recommendations I then made I earnestly ask that Congress may be requested to pass such a law as will relieve the Department from the great embarrassment under which it now labors, from the want of some law of the kind.

For more than two years the Department has been involved in an expensive and vexatious lawsuit, brought against the commanding officer of the Springfield Armory, to restrain him from having breech-loading muskets manufactured at that armory, under the orders of the Secretary of War, communicated to him through this Bureau. And suit has also been instituted, and is pending against him and the Chief of Ordnance personally, for trespass, in having directed the arms to be manufactured. The Department and its officers should not be subjected to such annoyances and vexations.

A large storehouse has been built on Governor's Island, New York

Harbor, which is ready to receive all the ordnance property now stored in the Continental warehouse, in Brooklyn, and such other stores as should be sent there for sale under the act of July 20, 1868. The completion of this building will enable the Department to give up the Continental warehouses, which have been rented for the past two years at \$17,500 per annum, upon the expiration of the lease, which will be on the 15th proximo.

The Department has been selling, for several years, the arms and other stores that are of obsolete patterns and otherwise unfit for issue to troops. More than 1,340,000 stands of small-arms have been sold since the close of the war, 350,000 of them within the present month, at good prices. Should the demand for arms and other munitions continue as at present, the Department will be able, in a short time, to dispose of the greater part of its surplus stores. It is very desirable that this should be done, as the stores are unsuited to our wants, and the expense of keeping and preserving them is very great. The sales since the 1st of July 1870, to the present date, amount to about \$5,600,000.

I should be derelict in my duty if I should conclude this report without bringing to your notice the defenseless condition of the forts on the sea-coast, and calling attention to the remarks and recommendations in my annual reports of 1867, '68, and '69, which are now renewed. They will be found on pages 5, 6, 7, and 8 of that of 1867, page 5 of the report of 1868, and pages 8, 9, 10, 11, and 12 of report of 1869. None of the permanent forts are fully armed, and many of them—particularly those in the Southern States—have not a single gun of suitable caliber in them, the guns being of small caliber and obsolete models, and the carriages for them of wood, rotten and entirely unserviceable. A board of engineer, ordnance, and artillery officers, of rank and experience, was appointed in January 1867, to determine the proper caliber and the number and kinds of guns necessary to arm the permanent forts. The board were unanimously of the opinion that there would probably be required for the permanent fortifications, in addition to the ordnance now on hand, 810 smooth-bore guns, of 20, 15, and 13 inches caliber, 810 rifles, of 12 and 10 inches caliber, and 300 mortars, of 15 and 13 inches caliber, to be provided from time to time, as the readiness of the forts to receive armament, the capacity of the foundries for its manufacture, and the appropriations applicable to its procurement may warrant. None of these guns have yet been provided, and there are no existing contracts for any. The number of guns of proper calibers on hand is 292 15-inch smooth-bores. No rifle guns have been procured. Requisitions have been made by the Engineer Department for smooth-bore and rifle guns of large caliber, which this Department has been unable to fill.

A board of officers, after having carefully examined a plan proposed by Dr. Woodbridge, of New York, for making guns of large caliber, recommended that a rifle gun of 12 inches caliber should be made upon his plan and tested to extremity. The recommendation received my approval, and authority was given by the War Department a day or two after the 1st of July, 1870, to have the gun made and tested; but in consequence of the reversion of the balance of the appropriation for ordnance, ordnance stores, and supplies, which remained unexpended on the 1st of July, 1870, to the surplus fund, under the act of July 12, 1870, it became necessary to suspend the order for the manufacture of the gun. In my opinion it is highly important that the gun should be made and tested; and I earnestly ask that Congress be requested to make the necessary appropriation for this object, of \$200,000.

The principal nations of Europe, recognizing the great importance of

having reliable guns of large caliber, have expended very large sums of money in experiments to determine in what manner and of what materials they should be made. So important is it to the country that we should at least find out how such guns should be made, (and it can only be done by experiment,) that no sum of money that may be necessary to the end can be too great to be expended for such an object. The armaments for the forts must be prepared in time of peace; it will be too late to do it when war comes.

I am, sir, very respectfully, your obedient servant,

A. B. DYER,
Chief of Ordnance.

Hon. WM. W. BELKNAP,
Secretary of War.

REPORT OF THE INSPECTOR OF THE MILITARY ACADEMY.

WAR DEPARTMENT,
OFFICE OF THE INSPECTOR OF THE MILITARY ACADEMY,
October 20, 1870.

SIR: During the past year 58 cadets of the Military Academy have been graduated and appointed second lieutenants in the several regiments of artillery and cavalry; 17 have been discharged for marked deficiency in conduct or studies; 6 have resigned their appointments; 1 has deserted; and 4 have died of disease.

Of the candidates who have reported for examination 65 have been admitted; 74 have been rejected by the examining board; and 5 have been found physically disqualified.

There are now 58 vacancies in the list of authorized cadetships, but it is expected that most of them will be filled during the next ensuing year.

The Corps of Cadets numbers 228 members, representing every section of the country, the Army, and the Navy.

Within the next four years, about 200 educated officers can be supplied for the Army, equal in professional attainments to the requirements of any military organization in the world in the case of officers of their grade. After that period, it is believed, the average number of graduates will not be less than 70 per annum.

The appropriations for the pay of officers, instructors, and cadets, and for the support of the Academy generally, amount to \$216,500 for the present fiscal year.

The estimates for the coming fiscal year (exclusive of those for pay and allowances, which are determined by law and presented by the Paymaster General) exhibit a reduction of over \$33,000 from those last submitted, and of more than \$7,000 from the sums granted on those estimates.

It should be stated, in explanation of the unusual number of candidates rejected in the present year, that many of them were from the Southern States, where education was greatly deranged by the late war, and that, for the first time, written examinations in history, geography, and grammar were resorted to as affording a fairer test of the candidate's abilities and a better opportunity to profit by the law of 1867, which raised the standard of admission. This expedient, prompted by experience and necessity, while it increased for the time being the ratio

of preliminary rejections, will, it is not doubted, reduce the ratio of subsequent discharges for non-proficiency and incapacity; a result beneficial not only to the Government but to the individuals concerned.

With a view to diminish the numbers thus rejected, measures have been devised for the encouragement and extension of competitive examinations in congressional districts entitled to cadet appointments, and for the informal, though thorough, examination of candidates by their own instructors and physicians before leaving their homes.

The results of the late examination have with greater force than ever before, directed the attention of the academic authorities to the utterly superficial systems of education seemingly prevalent throughout the country. It is no longer unusual or surprising to find candidates, rejected at West Point for deficiency in the primary branches of a common school education, possessed of diplomas from reputable seats of learning attesting their proficiency in many kinds of knowledge. Though the requirements for admission are certainly not beyond the capacity of an ordinary pupil of the common schools old enough to receive a cadet appointment, it is doubtful whether a tithe of the vacancies at the Academy could be filled without the one year's preparation for examination provided for by law. For the information of those interested in this subject, a list of the questions used in the late examinations in geography, history, and grammar which 74 candidates failed in part to answer, is here inserted.

GRAMMAR.

Parse the following sentences:

The star of military glory, rising like a meteor, like a meteor has set.
To succeed in life requires more exertion than most young men, now-a-days, desire to make.

State the different parts of speech in English grammar.

Define a noun, and the different kinds of nouns.

State all the attributes that belong to verbs.

Define a participle, and the different kinds of participles.

Define the imperative mode, and write a sentence in which it is used.

Correct the grammatical errors in the following sentences, and state the reasons for each correction:

He had a black and white horse, which were driven together.
It is not fit that such as us should engage therein.
These kind of actions did him great injury.
Each of them in their turn receive the benefit to which they are entitled.
He pursued the fugitive with a single soldier, but he, proving treacherous, deserted and he escaped.
Between you and I, the doctor was wrong to let him set down on the grass.
They know how to write as well as him.
I have seen that picture a month ago.
The enemies who we have most to fear are those of our own hearts.
Take the two first and, if you please, the three last.
Richard acted very independent on the occasion.

State whether the following sentences be correct or false, and rectify errors where they occur:

The pleasures of the Imagination, by Akenaide, is a highly philosophical poem.
I laid in bed till eight.
He who strikes me I will forgive.
Few persons exert their ability to the utmost to all the good that lies in their power.
We found our friend's house on fire and he dying with fright.
I told you it was them.
I found him better than I expected to have found him.
I did not see nobody there.
If I was her, I would reject him.
Hear him read his lesson.
We cannot be wise and good without taking pains for it.

(Time allowed, four hours.)

HISTORY.

State by what people, and at about what time, the following States were colonized:

Massachusetts, New York, Maryland, Virginia, Rhode Island, Georgia, Florida.

Name the principal generals of the Revolution, and where they served.
 State, respectively, in what American war, under what opposing generals, and about what time the following battles were fought:

Bunker Hill, Buena Vista, Saratoga, Chancellorsville, New Orleans, Shiloh.

Name the principal battles of the war of 1812.

State the causes of the Mexican war, the places where the first and last battles were fought, and under what American generals.

State the principal naval engagements of the war of 1812.

What States joined in the act which gave rise to the late rebellion? Name the...

State the principal events in the administration of Andrew Jackson.

Who was the president of the convention to frame the Constitution of the United States?

State the principal events in the administration of James K. Polk.

During how many terms did each of the following Presidents serve?

John Adams, James Monroe, Martin Van Buren, James Buchanan.

What Presidents have died during their respective terms of office?

(Time allowed, three hours.)

GEOGRAPHY.

What are zones?

What are the zones on the earth's surface, and how are they limited?

What are the grand divisions on the earth's surface?

What is a sea? Where is the Black Sea?

What waters separate the British Isles from the Continent?

What is a cape? Where are Capes Sable and St. Roque? What cape lies at the southern extremity of South America?

What is an isthmus? What isthmus unites Africa and Asia?

What river separates Kentucky from Ohio? Tennessee from Arkansas?

State the names of the principal rivers flowing into the Mississippi, from the east and from the west?

Name the principal ranges of mountains in the United States?

What are the principal mountains east of the Mississippi?

What is a strait? Where are the Straits of Mackinaw?

Bound the following States, and give the names of their capitals:

New Hampshire, Pennsylvania, Arkansas, California, Georgia.

Bound the following States and name, and locate their capitals:

Kansas, Ohio, Vermont, Louisiana.

What States border on Chesapeake Bay?

What States border on the Gulf of Mexico?

How do you go from Omaha to Pittsburg by water, and what States do you pass on both sides?

Name the Territories of the United States.

(Time allowed, three hours.)

In view of the increased labor devolved on the Corps of Engineers in connection with the interests of the domestic and foreign commerce of the country, the decreasing number of its officers, and the necessity of employing upon public works in charge of the War Department about 100 civil engineers, I renew the recommendation in my last year's report for an early repeal of so much of the existing law as excludes the higher graduates of the Academy from what has long been regarded as the merited reward of sustained mental effort and good conduct, viz: appointment in the Corps of Engineers.

It is regretted that certain disorderly acts (greatly misrepresented outside of the Academy) have marked the introduction into the institution of representatives of a newly enfranchised class of the people; but the investigations of a court of inquiry have shown that but very few of the cadets were engaged therein. The personal and official bearing of all the academic officers and nearly all the cadets, in a rather perplexing state of affairs, has been just and honorable in all respects.

The report of the Board of Visitors, addressed to the Secretary of War and referred to this office, is returned herewith for publication. The recommendations contained in it will receive the patient consideration of the academic authorities, and will be followed when practicable. It must not, however, be forgotten that the time of the cadets, as the board admits, is now fully occupied, and that the desired improvements, in practical chemistry and astronomy, in English literary culture, and in hygienic and sanitary instruction, can be effected only by a considerable enlargement of the course and extension of the time employed thereon, or an elevation of the standard of admission. With regard to the former, the return, in the history of the Academy, from a five to a four years' course of study, upon the grounds, among other reasons, that the strain of discipline and monotony of life and locality were too great in the longer period, is the best argument against it. The alternative, which is favored by the board, was discussed at length in my last report. I will content myself, therefore, by remarking now, that to successfully raise the standard of the examination for admission, it will be necessary both to change the mode of appointment and to look to a smaller and more exclusive class for the future officers of the Army; and even then success would be doubtful, for it seems to be a fair deduction from past experience, that the demands of the present standard are quite up to, if not beyond, the ability of the schools of the country, generally, to meet.

In the new provision of law for a direct representation of both Houses of Congress in the yearly Board of Visitors, the friends of the Academy look for material advantages. It is at least believed that the merits of the institution will in future receive a readier recognition, and that misrepresentation of its tendencies will in due time be silenced.

Two thorough inspections of the Academy have been made by me during the year. The favorable reports of these annual inspections which it has heretofore been an agreeable duty to submit, will serve for the present occasion. Nothing of importance has gone backward or stood still. The officers to whom this just compliment is paid are the same by whom the gratifying progress of the last three or four years has been effected; the one exception being the commandant of cadets, Colonel Black, who, after a service of six years, lately retired from his post with a reputation and a record honorable to himself and beneficial to the service.

The near completion of the handsome fire-proof office building is reported with satisfaction. The security of the archives from fire will now be insured, and many existing inconveniences removed.

In a separate communication accompanying the estimates, the pressing need of an increased supply of water, of further improvement of the artillery and cavalry drill-ground, of the repair of old roads and the opening of new ones, and of interior fittings and furniture for the new offices, was fully set forth; and the subject is mentioned here only to ask attention to the statements there made, and to urge the favorable consideration of those estimates.

Very respectfully, your obedient servant,

ED. SCHRIVER,
Inspector of the Military Academy.

The Honorable THE SECRETARY OF WAR.

REPORT OF THE COMMISSIONER OF THE BUREAU OF REFUGEES, FREEDMEN AND ABANDONED LANDS.

WAR DEPARTMENT.

BUREAU REFUGEES, FREEDMEN AND ABANDONED LANDS.

Washington, October 20, 1870.

SIR: I have the honor to submit, for the consideration of his Excellency the President of the United States, the following report, called for by an act of Congress approved March 3, 1865.

Since my last annual report the general organization of the Bureau has not been changed, but its operations have been restricted on account of the limited amount of funds remaining on hand for disbursement. The reduction of force during the year will be seen from the following comparison. One year ago there were on duty in this Bureau 15 commissioned officers, 71 civilian agents, including officers retained under act of July 1868, and 72 clerks. Now there are 13 commissioned officers, 10 of whom have been ordered before the retiring board, 33 "retained officers" and agents, and 41 clerks. Thus the entire force has been reduced from 158 to 87. With so few agents it has been impossible to respond to all the earnest appeals for aid, and to continue the same general supervision of freedmen's affairs as in former years. But though so much reduced, the operations of the Bureau have been highly important and useful.

The eleemosynary work, though confined to this District, has given shelter and some degree of comfort to a class of people utterly helpless and friendless. The hospital at Richmond, Virginia, which contained one year ago 239 patients, was turned over to the State authorities on the 1st of February, 1870, leaving only the Washington hospital and asylum under the care of this Bureau. In this, and connected with it, not less than 1,500 freedmen have received medical treatment during the year, and there remained June 30, 1870, 438 dependents supported wholly by the bounty of the Government, viz., 257 patients in the hospital, 88 orphans, and 93 old men and women, for whom provision was made outside on account of want of room in the hospital itself. Many of these are very old, and will need but a little more help. Others are maimed and disabled by disease for life. Their condition can be understood only by those who see them from day to day. But it can be imagined from the following facts: 18 of the number are blind; 1 is blind and idiotic; 1 is blind and insane; 3 are deaf and dumb; 13 are maimed; 8 are insane; 22 are idiotic, and 200 are helpless from extreme old age, many being between eighty and one hundred years old, and four over one hundred years. These are the heritage of slavery. After a long life of industry, whose wages have enriched others, they are left, when their hands have no more strength for toil, without means of support, without a place to lay their heads. Nor have they friends to care for them. Many of them drifted to the national capital during the war, and there is no home to which they can return, for home they never had. Some have been transported hither from distant States, where the necessary closing of our hospitals would have left them to starve, the local authorities refusing to assume their support, or even give them a place to die in. Thirty-three were brought from Louisville, Kentucky. No provision having been made for continuing the hospital there, and repeated appeals having been made in vain, both to the State and to the municipal authorities, I was forced either to devise some method of putting all the patients out of the way at once, or to place them in the hos-

pital here. I chose the latter, though the most troublesome and expensive alternative. One of those brought from Louisville is a man one hundred and thirteen years old, whose early life was spent within sight of the hills on which this city is built, and who remembers well the first President, though he never was one of the famous "body guard." This venerable man has given more than a century of productive labor to his country. Were his just wages paid him, he would not now be an object of charity. All he asks is the means to live his few remaining days. And equally urgent is the case of nearly every inmate of the asylum. No State nor city recognizes them as citizens; no municipal government allows their claim for aid; unless, therefore, the United States Government continues to feed and clothe and shelter them, they must perish. I believe that Congress and the people will sanction whatever expenditures are necessary to support these national paupers, and to alleviate as far as possible their sufferings.

The collection and payment of bounties and other moneys due colored soldiers, sailors, and marines, in accordance with joint resolution of Congress approved March 29, 1867, have been continued, and this important branch of work has employed a large majority of my agents and clerks. To complete the evidence required in all the cases referred to this Bureau by the Secretary of War and the Auditors of the Treasury; to separate the true from the false, and protect the Government from fraudulent claims; to discover and identify the claimants whose cases have been settled, and place in their own hands the sums awarded; and to keep an exact record of every case, requires a great amount of clerical labor and unceasing vigilance. The number of claims settled during the last year through the agency of this Bureau is 1,087. The number now pending settlement in the different Executive Departments and awaiting completion of evidence is 3,108. The amount of bounty money, back pay, and pensions collected for the freedmen by this Bureau is \$130,900 65. All cases intrusted to me directly for collection are settled without cost of attorney's fees. Since the law of March 1867 went into effect 9,622 claims have been filed in the various Departments, and of these 5,108 have already been settled without cost to the claimants, except the necessary notarial expenses. Had these claims been collected through claim agents or attorneys, the amount of legal fees would have been \$51,080. This sum has been saved to the freedmen; and, judging from attempts at fraud continually occurring, probably many times this sum in illegal fees would have been extorted but for the protection of the Bureau. But, in addition to the gratuitous collection of claims, all certificates and checks issued by the Treasury Department in settlement of the claims of colored soldiers and sailors and their heirs are made payable to my order. Each, when received, is carefully compared with the record, and every precaution is taken to avoid mistake in making the payments. The number of such certificates and checks thus examined and adjusted during the last year is 1,107, whose money value is \$1,659,728 36. Nine thousand five hundred and seventy-three claimants have been paid, an average of thirty per working day, and the amount paid is \$1,852,100 72. The whole amount paid since the passage of the act (March 1867) is \$7,683,618 61. The unavoidable reduction of the number of agents in the field has greatly increased the labors of those that remain; and when the large extent of territory under the care of a single agent is considered, together with the necessity of discovering and identifying every claimant, and of paying to him in person the amount due, it is very gratifying that so much has been accomplished.

Complaints are often made of delay in the settlement of bounty claims, and often there is just cause for complaint. Letters are daily received from claimants inquiring about their claims, and invoking the aid of the Bureau in effecting their settlement. In all such cases an investigation is at once made, and if Treasury certificates have been issued, measures are taken for their immediate payment. If not settled, inquiry is instituted at the proper Department, and in many cases it is found that the claims are on file, and settlement delayed awaiting necessary evidence, which the attorneys of record have failed to supply. A description of the evidence required is then obtained, and the agent of the Bureau in the vicinity where the claimant resides is directed to supply the evidence. By this means the evidence in 1,568 cases, filed by attorneys and claim agents, and suspended by the Second Auditor because the attorneys had failed to furnish the necessary evidence—by reason of death, retirement from business, willful negligence, or other causes—has been perfected through the agency of this Bureau. In addition to the above, 405 contested cases, referred to me by the Second Auditor, have been taken up for investigation; and legal proceedings have been instituted against parties charged with frauds against the Government.

Prior to the passage of the joint resolution approved March 29, 1867, and before this Bureau had charge of the work, treasury certificates issued in settlement of claims for pay, bounty, and prize money or other moneys to colored soldiers, sailors, and marines, were made payable to the order of the claimant, and forwarded to the attorney or agent who had prosecuted the claim. Many such certificates have been paid to attorneys upon forged assignments, and thus the claimants defrauded. In not a few cases of this kind I have succeeded in recovering the amounts fraudulently withheld by attorneys, and the same has been paid to the proper claimants. The law of March 1867 prohibits the recognition of any transfer or assignment of checks and certificates, and requires that they be drawn "payable to the order of the Commissioner of the Freedmen's Bureau." Still the certificates, together with the soldiers' "discharges," were sent to the attorneys, many of whom instead of forwarding them to me for prompt payment, purposely withheld them, to exact a fee for their services in addition to the legal fee. Many such "discharges" and certificates have been recovered, but it is known that a large number are yet in the hands of various claim agents and attorneys.

Since the passage of the joint resolution approved April 10, 1869, all treasury certificates issued in settlement of claims of colored soldiers have been sent direct to this Bureau. Also all "discharges" filed with claims, whether the claims are allowed or rejected, are sent to me for delivery to the claimants. The effect of this is to preclude almost entirely the possibility of claimants being imposed upon. Claimants are also notified that the legal fees of their attorneys are deducted from the amount of their certificates, and paid by my chief disbursing officer, and are cautioned against paying any additional fee for alleged services and to report any attempt at such extortion. During the past year the branch of my work has been increased by applications from the Commissary Department and the Pension Bureau. In March last I received notice from the Secretary of War that in consequence of frauds committed by attorneys and claim agents, in connection with claims of colored soldiers for commutation of rations while prisoners of war, and owing to the difficulty of identifying the claimants, and in order to secure to them the full amount of their dues, all such claims would thereafter be referred to this Bureau for the evidence necessary to per-

fect them, which could be obtained through the officers and agents stationed near the residence of the claimants, and that payment would be made through the same channels, the officer being required to pay the amount due the claimant in person, in legal tender notes. Under the provisions of the new pension law, approved July 8, 1870, all pension certificates and checks in payment of pensions are required to be forwarded by the pension agents to the post office address of the pensioner. With a view to securing to colored pensioners the full benefit of this act, and preventing their checks from falling into the hands of interested persons who would extort compensation for pretended services, after consultation with the Commissioner of Pensions, and at his request, the officers and agents of this Bureau have been instructed to induce, as far as practicable, colored pensioners, residing in their respective districts and outside of a pension agency, to have their communications and checks from the Pension Office and its agencies sent through agents of this Bureau. Although these arrangements with the Commissary Department and the Pension Bureau have largely increased the labors of my bounty agents, no additional expense has been incurred, while the advantage to the colored soldiers and pensioners has proved to be very great. It is not too much to affirm that through the labors and vigilance of this Bureau, in connection with bounty and other claims and payments, enough has been saved to the Government and to deserving claimants to justify the cost of conducting these operations.

The educational work among the freedmen has been continued with unabated interest on their part. But the limited amount of funds at my disposal has forbidden any great extension of the work, and has compelled me to refuse many earnest applications for aid. The schools heretofore established have improved in character, and the teaching has been of a higher grade than in any previous year. The aggregate of schools, teachers, and pupils remains nearly the same as at the date of my last annual report. The returns, on account of the discharge of many agents and school superintendents, are not entirely complete, but they include all the schools that have been aided to any extent by this Bureau. The number of schools regularly reported is 2,039; adding those from which occasional returns have been made, the number is 2,677. The number of teachers employed in all these schools has been 3,300; and the number of pupils is 149,581, about 45 pupils to each teacher. The average attendance has been greater than before, being nearly 80 per cent. of the total number enrolled. In this respect there has been a gradual improvement from the first. The teachers, as in former years, have been appointed and paid by local boards or by benevolent associations. The aid granted by this Bureau has been furnished in the construction, repairs, and rental of school buildings, in general oversight of the whole work, and in correspondence with the other agencies coöperating with it. Appropriations have been made for the construction or partial construction of 334, for repairs of 198, and for the rental of 598 school buildings. Before any building is constructed it is required that the school lot be deeded to trustees, who bind themselves and their successors to hold and use the same and the buildings thereon for educational purposes forever, and that pupils shall never be excluded therefrom, or from the benefits arising from the rental or sale thereof, on account of race or previous condition of servitude.

The number of high or normal schools and of industrial schools has largely increased. Of the former 74, with an attendance of 8,147, and

of the latter 61, with 1,750 pupils, have been in active operation. The wisdom of establishing early these institutions of high grade for the training of teachers is already proved. They have so far succeeded that a majority of the teachers now employed in the schools above reported are colored men and women, 1,312 being colored and 1,251 white. The freedmen have also contributed a larger amount for educational purposes than in any former year, having sustained wholly or in part 1,324 schools. These facts indicate that they are advancing as rapidly as could be reasonably hoped toward self-support and independence. The appropriations being nearly exhausted, I have been compelled to announce that no further aid can be granted in support of schools, and to discharge all the superintendents of education in the several States, and to close their offices. The General Superintendent of Education, Mr. J. W. Alvord, who, from the organization of the Bureau, has had charge of this work, has also resigned, and the unfinished business of this division has been assigned to my Assistant Adjutant General. As the vacation season closes and the time arrives for the reopening of the schools, appeals are coming in from all parts of the South for further help. Many school buildings, it is reported, must remain closed on account of the withdrawal of Government assistance; but I am obliged to reply to all these appeals: "My funds are expended; there is nothing more to give." All I can do is to counsel the freedmen to make every effort and sacrifice necessary to keep their schools open, and to agitate the subject of free schools until they secure their establishment. A very great work remains to be done before that result can be attained. The people of the Southern States have been too much occupied with material interests, the restoration of industrial order and political reconstruction, to give to the subject of education the attention which its importance demands. In two or three States a good beginning has been made; but no Southern State is fully prepared with buildings, teachers, funds, and intelligent officers to set in operation and sustain an efficient free-school system. Even for the white children no adequate provision is made. The colored people are yet poor; the most of them are still ignorant; they know very little about the organization and management of schools; they cannot judge of the qualifications of teachers. Hence they need advice and supervision from without, and will need at least this kind of help, if not material aid, for years to come. How such aid can be most wisely given must be decided by the people of the country and their representatives. Last year, in a special report, I recommended that this branch of my work, with the balance of funds then on hand, should be transferred to the Bureau of Education, with the hope that new appropriations might be made, and a new impulse given to national education. Now there is nothing to transfer, but the importance of continuing and extending the educational work among the freedmen and among all classes at the South becomes more and more apparent, and I again recommend that the whole subject of national education be carefully reviewed and considered by Congress, and that measures be devised, through coöperation with State authorities, to furnish instruction to all children of suitable age.

The expenditures for educational purposes during the last year have been \$976,853 89. This includes \$25,000 transferred to Wilberforce University, Ohio, and \$12,000 to Lincoln University, Pennsylvania, by act of Congress.

The expenditures of the Bureau for all purposes during the last year have been \$1,579,129 55, and the balance on hand August 31, 1870,

was \$200,146 52. This sum will not be sufficient to settle outstanding claims, and will be no more than is needed to support the hospital and asylum in this city, and meet other current expenses until the next session of Congress. In order, therefore, to fulfill all contracts and to continue the collection and payment of bounties, and other duties required of me, I have forwarded an estimate for a special appropriation for the current fiscal year.

Very respectfully, your obedient servant,

O. O. HOWARD,
Major General United States Army, Commissioner.

Official:

E. WHITTLESEY,
Acting Assistant Adjutant General.

REPORT OF THE SECRETARY OF THE NAVY.

NAVY DEPARTMENT, *December 1, 1870.*

SIR: I respectfully submit the following report of the Navy Department and the naval service for the last year :

At the date of my last report the Navy of the United States consisted of 188 ships, of all classes, calculated to carry, when in commission, 1,322 guns, exclusive of howitzers. Since that time four small gunboats, the Seminole and the Clinton (tug) at home, and the Maumee and the Unadilla, in the east, have been condemned as unseaworthy and sold; the tug Rescue was also sold, under an act of Congress, to the government of Liberia, through the agency of the President of that republic, who visited this country with authority to carry out the requirements of the law.

On the 3d of January last the tug Maria was run into and sunk on Long Island Sound, with a loss of four men; and on the night of the 24th of the same month the steam sloop Oneida, cut down by the English passenger steamer Bombay, sunk in the Bay of Yedo, with the loss of most of her officers and crew.

Thus reduced, the Navy consists at this time of 181 vessels, calculated to carry 1,309 guns. Of these 52 are of the iron-clad or monitor class; of the remainder 30 are sailing vessels without any steam-power, and the balance steamers or sailing vessels with auxiliary steam-power. Of these 45 vessels, including store and hospital ships, mounting 465 guns, are attached to the several fleets, and four others, mounting 7 guns, are in commission for special service. These, with six receiving ships at the various stations, and the tugs and small vessels on duty at the navy yards and stations, make the naval force now in commission. Ten others, mounting 143 guns, are ready for sea, and will join the several fleets as soon as they receive their complement of men. These, however, cannot be enlisted till the ships which are returning to this country shall have discharged their crews. Of the remainder, whose names are borne on the register, 13 are on the stocks in various stages of forwardness, 15 are under repair at the various yards, and the balance are laid up in ordinary, or as unfit for service or repair.

During the period which has passed since my last report the United States of America have been at peace with all nations, and the duties

of her Navy have been nowhere those of active hostility. But the attitude of this branch of the public service must always be in some degree warlike, since it represents abroad the military power of the Government, and, displaying everywhere the flag of the country, is expected to protect the rights which that represents from the attacks of barbaric ignorance and the encroachments of civilized power.

Our people, peaceful, prosperous, and secure at home, and representing peculiarly the civilization of humanity and peace, are slow to realize the trials to which their governmental, commercial, and religious representatives, scattered throughout the world, are so often subjected, and the sudden and sometimes appalling dangers which threaten so frequently their personal safety and our national honor. But those who are charged with the duty of anticipating, as far as may be, such dangers, and of guarding against them, are ever oppressed by their presence and by the want of adequate power at command for protection or redress.

Almost every foreign mail during the past year has brought, through the appropriate channels, to the Navy Department, from our citizens and representatives in every quarter of the globe, requests, which are sometimes appeals, for that assurance of safety and protection abroad which is only afforded by the presence of an armed vessel of the Government.

Wherever civilization is backward, commerce and Christianity are only safe under the guardianship of power; wherever governments are unsettled or arbitrary, the property and the persons of strangers of every class are in continual danger; and, all over the world, wherever war inflames the passions of civilized man, the authority of law is loosened, the securities of government unsettled, and the influence of civilized society weakened, and there, the rights of neutrals demand of their governments constant and careful protection.

On our own continent, war in the West Indies and complications on the fishing-banks, have called simultaneously for the presence of our cruisers at both extremities of the North Atlantic Station. From the isolated groups of the Pacific and from every struggling government of the south, we are called upon to protect the persons and property of our citizens. Everywhere on the shores of civilized Europe, from the Baltic to the Bosphorus, the security of American interests and the rights of American citizenship demand at this juncture the presence of our flag; and in the half-civilized East our commerce is constantly startled by outbreaks which defy the power of even friendly governments.

At our last advices Christian missionaries, frightened from their chapels and school-houses, were being returned on board a man-of-war; and on any day we may hear that some representative of our Government, more than ten thousand miles from our capital, has found his only safety under cover of our naval guns.

In addition to the duties which these circumstances entail, the Navy

is at this time prosecuting, under the authority of Congress, two surveys across the isthmus which connects the northern and southern portions of our continent, and making, under like authority, soundings and surveys for lines of telegraph, and for dredging and improvement of harbors of refuge and resort, on our coasts and in midocean; we are also about to contribute, under special legislative direction, a vessel and its appliances to a scientific expedition toward the North Pole.

To answer as far as possible the requirements imposed by these conditions is the appropriate duty of our Navy, but the fulfillment of this duty must, of course, depend upon the proportion which the means at its command bear to the character and frequency of the circumstances calling for attention, and the vast distances which must be traversed to apply them. The navigable waters of the globe, embracing an area of over 140,000,000 square miles, are divided, for the purpose of our naval operations, into five distinct cruising stations, to each of which is assigned such of our naval force as the circumstances of each may require and the means at the command of the Department permit. The limits of these stations have not been changed since the date of my last report, nor has the Department been able to increase, to any great extent, the force assigned to each of them.

THE NORTH ATLANTIC STATION, extending northward from the mouth of the Amazon and westward from the 43° of longitude west of Greenwich, embraces more than 3,000 miles of our own coast line on the Atlantic and the Gulf, and includes within its limits all the West India Islands and the coasts of Mexico, the Isthmus, and the northern countries of South America. The force on this station is under command of Rear-Admiral S. P. Lee, who relieved Rear-Admiral C. H. Poor on the 16th of August last. It consists of the *Severn*, the *Congress*, the *Tuscarora*, the *Swatara*, the *Nantasket*, the *Yantic*, the *Kansas*, and the *Nipsic*, with the tug *Pilgrim*, and the iron-clads *Dictator*, *Terror*, *Ajax*, and *Saugus*, and the *Pawnee* as a hospital ship, making in all 14 ships, including the tug, and mounting 79 guns. Of this fleet all but four vessels, the *Tuscarora*, the *Nantasket*, the *Dictator*, and the *Saugus*, have been refitted or repaired during the past year. The principal headquarters of this fleet is at Key West, selected as the most convenient station, within six hours' sail of Havana, and in direct communication by telegraph with Washington. Of this fleet the four monitors, with the hospital ship and tug, cannot be considered as cruisers, the latter is stationed permanently at headquarters, and the former, whose movements are slow and expensive, are kept ready for emergencies, and move only to points where a display of force is called for. The steamers *Nipsic* and *Kansas* of this squadron are at present engaged on special service connected with the surveys of the Darien and Tehuantepec routes. During the past year the vessels of this fleet have been largely engaged in cruising among the West India Islands, especially in the neighborhood of San Domingo, to the government of which

republic we extended our protection under the terms of the pending treaties; and in the waters of Cuba, where a condition of civil strife demanded the constant presence of our ships for the protection of American interests. These waters embrace an area of 600,000 square miles. The Island of San Domingo itself has a coast line of over 1,100 miles, while that of Cuba exceeds 1,600 miles in extent. In these waters the force of other and distant nations far exceeded our own. The French and English fleets on that station are far larger than our own; while that of Spain is made up of 25 ships, including several powerful sea-going iron-clads, mounting in all 356 guns, besides 30 gunboats, mounted, each with one heavy rifle gun.

THE SOUTH ATLANTIC STATION, stretching from the Amazon across to Saint Paul de Loando, and southward between the shores and beyond the capes of either continent, covers an area of vast extent and importance. The fleet assigned to this station consists at present of but four vessels, three of which are on the station, and the fourth about to join it. These, under the command of Rear-Admiral Lanman, are the Lancaster, (flagship,) the Portsmouth, the Wasp, and the Narraganset, numbering in all 41 guns. Of this fleet the Narraganset has been completely refitted during the past year.

THE PACIFIC STATION extends from Behring Straits southward to Cape Horn, and westward to the 170° west longitude, and south of the Equator to the 115° east, including the South Pacific groups, New Zealand, New Guinea, and Australia. The fleet on the station is divided into two squadrons, called respectively the North and South Pacific Squadrons.

The North Pacific Squadron, under the immediate command of Commodore William B. Taylor, consists at this time of seven ships, mounting in all 88 guns, six of which are on the station, and the seventh under orders to join the squadron, viz.: The Pensacola, the Saranac, the St. Mary's, the Oyane, the Nyack, and the Saginaw, with the California about to sail.

The South Pacific Squadron, now under the immediate command of Commodore David McDougal, consists of five ships, mounting in all 40 guns, viz.: The Jamestown, the Ossipee, the Resaca, the Onward, and the Mohican. The whole fleet thus consists of 12 ships, mounting in all 128 guns, and is under the general command of Rear-Admiral John A. Winslow, who relieved Rear-Admiral Turner on the 9th day of September last. Of this fleet all but three vessels have been refitted or repaired since the date of my last report.

Our coast line on this station, including that of Alaska, is over 4,000 miles in extent, and the duties and responsibilities of this fleet are of great variety and importance. Besides a general protectorate of the persons and property of our missionaries, representatives, citizens, and traders scattered on the coasts and in the seaports of South America and the Isthmus, and among the islands of the Pacific, they include a

supervision of the interests of the Government and our people in the whaling and seal fisheries of the north, and of our commercial relations with the islands, and with the east. In these interests long stretches of coast must be surveyed, ports of resort and harbors of refuge on the the mainland and in mid ocean must be sounded and dredged, points of difficulty and of danger tested and marked out, and at vast distances, with thousands of miles between, the flag of the republic must be displayed wherever barbarism is ignorant or cupidity unmindful of our rights and power.

The reports of the operations of the ships on this station, which, together with those of the other fleets, will be found detailed in brief in the statement annexed, entitled "Operations of fleets," and more at large in the reports in the Appendix, will be found both interesting and instructive, especially those relating to the cruises of the Jamestown and Kearsarge among the islands of the Pacific.

THE EUROPEAN STATION, embracing all the waters of the Atlantic, and its communicating seas north of the Equator, and including the whole European coast and that of North Africa, is always a station of great consequence, in view of the intimacy of our relations with the peoples and governments of Western Europe, and the number and importance of our personal and commercial relations in that quarter of the world.

In the present condition of Europe the feelings and pride of our people, as well as their interests and safety, demand that we shall be represented there by all the force available for that purpose; and the Department has endeavored to increase the fleet in that quarter as far as was possible, in view of the requirements of other stations.

Our European fleet is now under the command of Rear-Admiral Glisson, who relieved Rear-Admiral Radford on the 10th of August last. It consists of the Franklin, (flag-ship,) the Brooklyn, the Richmond, the Plymouth, the Shenandoah, the Juniata, the Saco, and the Guerriere, eight ships, mounting in all 129 guns. Of these, seven are now on the station, and the eighth, the Guerriere, is under sailing orders to join the fleet. Of this fleet, all but the Franklin, the Richmond, and the Juniata have been refitted and repaired during the past year.

THE ASIATIC STATION embraces all the waters of Asia and of Eastern and Northeastern Africa, and the islands of the Eastern Ocean, stretching eastward till it meets the limits of the Pacific station extending from the west. The fleet on this station is now under command of Rear-Admiral John Rodgers, who relieved Rear-Admiral Rowan on the 20th day of August last. It consists of the Colorado, (flag-ship,) the Benicia, the Alaska, the Ashuelot, the Monocacy, the Palos, and the Idaho, (store-ship,) seven vessels in all, mounting 88 guns. Of this fleet all but three have been prepared for sea, and have sailed from the United States since the date of my last report.

The Palos, a small steamer of 306 tons, fitted and armed for cruising

in the rivers of China, was sent to join this fleet by the route of the Suez Canal. She made the passage from Boston to Singapore in seventy-three sailing days. The history of her voyage and her passage of the canal, detailed in the Appendix, will be found of much interest.

The importance of our interests on this station can hardly be overestimated, and the constant necessity for an increase of our force there oppresses the Department. The uncertain tenure by which all the interests of commerce, civilization, and religion are held in the East; the ignorance which clogs, and the superstitions which thwart, all plain-dealing with barbaric and semi-barbaric power; and the vast distances which separate the points of interest or danger—all these combine to demand an increase of force which the Department is unable to afford.

The feeling of uncertainty and alarm which at this time pervades all the European settlements in China extends to our own commercial and religious representatives, and the bulk of our Asiatic fleet is now cruising in that portion of the station for the protection of any interests which may be threatened, and the display, as far as may be, of that armed force which makes the strongest appeal to Asiatic respect.

MIDWAY ISLANDS.

The act making appropriations for the naval service, approved March 1, 1869, appropriated \$50,000 for deepening the entrance to the harbor of Midway Islands, in the Pacific Ocean, to afford a safe rendezvous and port of refuge and resort for the naval and merchant vessels of the United States. In pursuance of the provisions of this act a contract was entered into with Mr. George W. Townsend, of Boston, September 30, 1869, to execute the work, and one of the vessels of the Pacific fleet, the *Saginaw*, under Lieutenant Commander Sicard, was detailed to aid the contractor by making the necessary surveys, and to afford such other facilities as were reasonable and best calculated to forward the enterprise. The commanding officer of this ship was charged with the immediate supervision of the work, and with the inspection of it as contemplated by the act.

The *Saginaw* reached the Midway Islands March 24, and as soon as possible thereafter the deepening of the channel was commenced, and has been continued with fidelity. More difficulty has been experienced and greater obstacles encountered than were anticipated, but at the date of the latest report from the officer in charge, he was able to form a tolerably fair estimate of the time and cost of completing the work. His estimate of time is fifty-two months from April 23, the date of its commencement, and of the cost, about \$214,000—which sum he considers to be the least that can be allowed. It is agreed in the contract that the United States shall have the option of terminating the work whenever the appropriation specially made for it by Congress shall be insufficient for its further continuance, and as the Department has given positive instructions that the appropriation be not exceeded, there will

be no means for prosecuting the work longer than till October, at which time the party proposes returning to San Francisco.

Lieutenant Commander Sicard gives in his report full and interesting details of the manner in which the work has been executed, its progress from time to time, and the prospects of its successful termination.

INTEROCEANIC CANAL.

In execution of the plan stated in my last annual report for surveying the Isthmus of Darien, with a view to ascertain by what route, if any, a ship canal might be constructed between the two oceans, three small vessels, the *Nipsic*, *Guard*, and *Nyack*, were, in January 1870, placed under the command of Commander Thomas O. Selfridge, with instructions to explore and survey such portions of the province of Darien as might be supposed suitable for the location and construction of such a canal. Besides the officers and crews of these vessels, the exploring party consisted of a guard of marines, under the command of Captain Houston, and twelve civilians, employed as engineers, draughtsmen, telegraphers, mineralogists, and photographers. Two of the vessels (the *Guard* and *Nipsic*) were ordered to rendezvous in Caledonia Bay. The *Guard* arrived there on the 19th of February, and the *Nipsic* two days later, by the way of Aspinwall, where she touched to procure laborers and guides. The President of Panama exhibited a friendly interest, and sent an official representative to join the exploring party. The *Nyack*, which was attached to the Pacific fleet, was ordered to San Inigues Bay, but, not reaching her destination until the 14th of April, her officers and crew took no part in the explorations on shore, but were advantageously employed in harbor and coast survey. Three routes were explored and surveyed, viz.:

1. The Darien route, which, starting from Caledonia Bay, proceeds to the headwaters of the Sucubiti River, following that river to its junction with the Chucunaqui, thence goes westwardly, across the "divide," to the confluence of the Lara and Savanna Rivers, and down the Savanna to the Pacific Ocean.

2. The Sassardi route, which, leading from Sassardi Harbor, at the northerly extremity of Caledonia Bay, up the Sassardi River to the dividing ridge, moves thence to the river Morti, a tributary of the Chucunaqui, and thence, by the Morti, Chucunaqui, and Savanna, to the Pacific.

3. The route of San Blas, which, starting from the gulf of that name, passes through the valleys of the Mandinga and Marmoui Rivers, to the junction of the latter with the river Bayamo, or Chepo, and thence twelve miles by that river to the Pacific.

Each of these three routes was ascertained to be impracticable for a ship canal. In the first, an elevation of 553 feet; in the second, of 284 feet; and in the third, of 1,142 feet, must be overcome by tunnels, varying in length from six to ten miles, and involving an expense too mon-

strous for any hope of profit or advantage. The advent of the rainy season rendered the further survey of other routes impossible, and the expedition returned to report results and await further orders.

The report of Commander Selfridge seems to furnish abundant proof that the expedition was conducted with great industry, zeal, and skill; and although no feasible route has yet been discovered, the field of future exploration has been materially diminished. The importance of this work cannot be overestimated, and it is the purpose of the Department to prosecute the plan of exploration and complete the survey during the present season in such a manner as to settle definitely the question of a ship canal by any of the Darien routes.

The expedition, organized under the provisions of the act of Congress, for the survey of the Tehuantepec route for a ship canal, consisting of the *Kansas* and *Mayflower*, (tug,) sailed from Hampton Roads, under command of Captain R. W. Shufeldt, on the 14th of October, arriving at Key West on the 24th of that month. When last heard from they had left Key West, in good condition, for the place of their rendezvous. It is expected that the survey will be completed during the present season, and a favorable result is hoped for.

Such are some of the duties required of our naval force in time of peace, and such is the force which we are now able to put upon the seas for the performance of these duties.

It is true that, with all the Department has been able to do during the last year, it has not been possible to increase materially our cruising force on foreign stations. But this force is, I think, in a state of much greater efficiency than formerly, and there are, in addition, several ships ready for sea, which can sail to strengthen our squadrons as soon as crews can be enlisted to man them.

I am happy, moreover, to be able to report that the past year shows a marked improvement in the character and the conduct of the men enlisting in the service, and the general discipline and efficiency of the crews of our men-of-war. Many regulations have been made and orders issued during the last year looking to their comfort and health, and a system of rewards and promotions for good conduct established. This has already produced a noticeable effect for good, and it needs only to be pursued and enlarged to make the Navy attractive to the best sailors in the country. The officers in charge of this subject unite in recommending, as an improvement now most urgent, the allowance of an outfit of clothing to each sailor, on enlistment, after the manner of the allowances of a similar character made in the Army; and the Department concurs in this recommendation, as an act of justice, and a means of relieving the men from the necessity of entering the service in debt to the Government, and removing this inducement to discontent and desertion. I beg also, in this connection, to refer to, and repeat, the recommendations, made at length in my last report, upon the subject of improving the character of our seamen, and of their training, registry, and organization as a part of the available force of the country.

NAVY YARDS.

The condition of our navy yards in various parts of the country demands attention. Very little has been done toward their improvement at any time since the commencement of the war, and last year nothing was appropriated for that purpose, except a small amount for the Mare Island yard.

The late Secretary, Mr. Welles, frequently called the attention of Congress to the condition to which our building and repairing yards were coming under this policy; and in my last report I felt called upon to speak at some length on the subject. Each year that they are postponed, the necessity for improvements grows more imperative, and the cost of making them larger, while the want of them is each year more and more severely felt in the increased cost to the Government of the work which we are obliged to do, entailed by the want of the ordinary appliances for rapid and economical labor. This want is most severely felt at Mare Island, where is situated our only naval establishment on the Pacific coast. Our vessels for the Pacific fleet should be built, as far as may be, and all of them, as well as those of the Asiatic fleet, should be repaired, at this yard. The passage round Cape Horn is too difficult and dangerous, and consumes too much time to be thought of when other means of refitting and repair are possible to the Government; yet, for the want of appropriations for the proper buildings, tools, and machinery for this yard on the Pacific, our ships are obliged to make long and dangerous passages to the Atlantic coast with great detriment to the service and loss to the Government; and expensive and cumbersome machinery built at the East must be transported across the continent at an expense often equal to its original cost.

I would, also, again press the suggestions made last year in regard to the importance of removing our large working yards from their present situation in the midst of populous and growing cities; and call attention again to the necessities of the service and the obligations of the Government in regard to the League Island portion of the Philadelphia station, and to that at New London.

THE SUBMARINE TORPEDO.

The importance of the submarine torpedo as a weapon of naval warfare is every day more apparent. As our experiments and improvements progress, the terrible power of this engine and the certainty and ease with which it may be applied are more clearly demonstrated, and it promises to be the most efficient, as well as the least expensive, means of defense and attack known to the service. Recent events in Europe have shown its value as an important part of the system of coast defense. We are progressing in this direction as fast as the appropriation will permit, and if the suggestions of the officers in charge of this branch are carried out, we shall, I think, be as well armed in this respect as any other power in the world.

The reports of the several Bureaus of the Department, and that of the Admiral upon the condition of the service, will be found in the Appendix to this report. They contain much that is instructive and valuable. I shall not pause to repeat them in detail, but, recommending them for the study of all who, from duty or inclination, are interested in the service, shall refer specially to a few things which impress me as of the most urgent importance.

HYDROGRAPHIC OFFICE.

The necessity of an American hydrographic establishment, furnishing its own charts, books, and sailing directions, at least to our own commerce, if not to the outside world, and performing its portion of the work of surveys and discovery, must be apparent to any one even slightly acquainted with the wants of commerce and the duties of a commercial nation. Under all European governments of any note such establishments have long been in operation, furnishing their quota for the general advance of science and the greater security of navigation. In this the hydrographic office of England takes the lead; and, furnishing its charts and publications to a great part of the commercial world, exacts a tribute which pays almost the whole expense, not only of the office and its publications, but of the surveys constantly carried on in every quarter of the globe. Our country, with perhaps greater advantages, has done, and is doing, but little in comparison. Although a hydrographic office has been established by Congress, under the Bureau of Navigation, no steps have been taken toward its advancement and gradual increase, and it is at present scarcely more than a depot of charts, the greater part of which, with the sailing directions, &c., used by our naval and commercial marine, are purchased from abroad; and, in the event of a rupture of our relations with Great Britain, our supply would be, in a great measure, cut off. There is not in this country a private firm of hydrography. The Government, by establishing its own office, has destroyed private enterprise in this direction, and taken upon itself the supplying of all the needed information; and most properly so, for private firms can neither find this branch sufficiently remunerative to insure accuracy, nor can they readily obtain the necessary information, which comes largely from the offices of foreign governments and from original surveys entirely beyond their province.

To place our office on a proper basis, and make a gradual advancement from year to year, a fair appropriation is required to procure and arrange a proper building for the prosecution and extension of the work; and a yearly allowance to enable the office to increase gradually its engraved chart-plates, &c., until such a time as, by the sale of their work, with an increase of commerce, the office would pay for itself. A small yearly appropriation should also be made for prosecuting surveys abroad in such unsurveyed fields as most require it, and which may most immediately benefit our own commerce.

evening, in the Bay of Yedo, about fifteen miles from Yokohama, she was run into by the English steamer Bombay, carrying the mails and passengers for the last-named port. After cutting down the Oneida, and carrying away entirely a large portion of her stern, the Bombay proceeded on her way, leaving behind her, in the darkness, the unfortunate ship and her gallant crew. In less than fifteen minutes from the time she was first struck the Oneida had sunk beneath the waves, and, of 24 officers and 152 men, but 2 of the former and 57 of the latter escaped a watery grave.

I have already had the honor, in response to resolutions of Congress, to communicate all the information on this subject which was in the possession of the Department, and to express my opinion of the causes of the disaster and of the conduct of the actors. I have not since that time seen reason to change these views, and, still believing that our loss was caused by the recklessness and bad navigation of the persons in charge of the Bombay, I recommend that the Department be authorized to take such means as may be available to obtain redress from her owners for our pecuniary loss. The lives of those who perished cannot be restored, nor their loss repaid to their families or their country.

NAVAL PENSION FUND.

The pension roll on the 1st of November, 1870, was as follows:

1,368 invalids, annually receiving	\$123,014 50
1,642 widows and children, annually receiving	266,032 00
3,010 persons, receiving a total of	389,046 50
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EXPENSES AND ESTIMATES.

The whole actual expenditure of the Department and the service, chargeable to the Navy appropriations since the date of the last report and up to the 1st of December, is the sum of \$18,985,165 11. This amount will be slightly, but only apparently, increased by the payments of adjudicated prize-money, and the bounties given by Congress to the heirs of those lost in the Oneida, which sums, though chargeable to other funds, will appear in the general sum of naval expenditure.

The actual expenditure of the year ending December 1, 1869, was \$20,081,285. This shows a decrease in the expenditure of the last year from that of the previous year of \$1,096,119 89.

The appropriations for the current fiscal year, ending on the 30th day of June next, amount, in the aggregate, to \$19,994,637 17.

The expenditure since the commencement of the fiscal year is within that proportion of the appropriations applicable to the five months which have passed, and shows a decrease, during that period, of \$2,488,585 30 from the expenditure of the corresponding five months of the last year.

A statement showing the amounts drawn, refunded, and expended for each month of the last year is hereto annexed.

The estimates for the general expenses of the service for the fiscal year ending June 30, 1872, amount to \$20,083,317 77, and are as follows:

Pay of officers and seamen of the Navy.....	\$6,500,000 00
Current repairs of buildings, docks, and incidental ex- penses in navy yards, &c	833,850 00
Pay of civil establishment in navy yards, hospitals, &c.	317,544 00
Ordnance and Torpedo Corps	987,000 00
Coal, hemp, and equipment	1,700,000 00
Navigation, navigation supplies, &c	137,500 00
Hydrographic work	40,000 00
Naval Academy	200,340 77
Naval Observatory and Nautical Almanac, &c	49,000 00
Repairs and preservation of vessels.....	3,925,000 00
Steam machinery, tools, &c.....	1,715,000 00
Provisions.....	1,500,000 00
Clothing	250,000 00
Repairs of hospitals and laboratories.....	40,000 00
Surgeons' necessaries.....	50,000 00
Contingent expenses of various Departments and Bu- reaux	1,392,000 00
Support of Marine Corps	1,046,083 00
Total	20,683,317 77

And to these is added the sum of \$955,100 as necessary for permanent improvements at the several navy yards and stations.

These estimates approach very nearly to the appropriations for the current year, though including some new expenditures deemed absolutely necessary, and their excess over the current appropriations is less than the amount of the deficiencies in the departments of provisions and clothing, occasioned by the return to the treasury, under the provisions of the law upon that subject, of moneys appropriated to discharge the regular and authorized expenses of those departments. These estimates are made closely, however, for the mere maintenance of the Navy as it now is, and they include but little in the way of permanent improvement. This seems to be the policy indicated by the recent legislation on the subject, and though I am of opinion that it is neither the wisest nor the most economical policy, yet it is the plain duty of the Department to accommodate the service, as far as may be, to the views of the representatives of the people.

I have not repeated at length many of the important suggestions and recommendations for the improvement of the Navy which I felt it my duty to make last year; but those recommendations still remain, and I

No. 1.—*Estimates of appropriations for the Navy Department, &c.*—Continued.

Detailed objects of expenditure, and explanations.	Estimated amount which will be required for each detailed object of expenditure.	Amount appropriated for the current fiscal year ending June 30, 1871.
CONTINGENT EXPENSES.		
Rent and furniture of buildings and offices not in navy yards; expenses of courts-martial, courts of inquiry, boards of investigation, examining boards, with clerks and witness fees, and traveling expenses and costs; stationery and recording; expenses of purchasing paymasters' offices at the various cities, including clerks, furniture, fuel, stationery, and incidental expenses; newspapers and advertising; foreign postage; telegraphing, foreign and domestic; mail and express wagons, and every and express fees, and freight; all books for the use of the navy; experts' fees, and costs of suits; commissions, warrants, diplomas, and discharges; relief of vessels in distress, and pilotage; recovery of valuables from shipwrecks; quarantine expenses; care and transportation of the dead; professional investigations, and information from abroad; and all other emergencies and extraordinary expenses arising at home and abroad, but impossible to be anticipated or classified.	\$125,000 00	\$125,000 00

No. 2.

NAVAL ACADEMY.

Report of the Board of Visitors.

UNITED STATES NAVAL ACADEMY,
Annapolis, Maryland, June 4, 1870.

SIR: The undersigned, appointed a Board of Visitors to the Naval Academy, to witness the annual examination of the several classes, to examine into the state of the discipline and general management of the institution, and report the result to the Secretary of the Navy, have the honor to submit the following report:

The board met at the library on the 20th day of May, being the day designated in their letters of appointment, all the members being present, when they organized themselves into sub-committees or sections, for the greater facility of carrying on the examination of the various classes at the same time. Every morning after, the board held a meeting before resuming their duties, at which the sub-committees arranged their plans for the day. By this arrangement they were enabled to attend the examinations of all.

It gives the board great pleasure to be able to state that the examinations witnessed by them afford the best evidence of the thoroughness with which the professors and instructors in all the branches of study have performed their duties, and exhibit also the most satisfactory proof that their efforts have been rewarded by a corresponding high attainment on the part of the pupils.

When not occupied in listening to the class examinations, the board attended in a body the exercises of the midshipmen in the more important duties appertaining directly to their profession, including seamanship, gunnery, boat exercise, fencing, battalion, infantry, and howitzer drill.

The general impression of the board as to the condition of the Academy in all its departments is most favorable.

In common with its predecessors, the board has kept in view the main object for which this Academy was instituted; that is to say, the preparation of young men for the practical duties of sea officers in the Navy

of the United States. It is not an easy matter to accomplish this object by a system of instruction which requires so much of the time of the midshipmen during the academic term of four years to be passed on shore, and constant care seems to be necessary, not only to prevent the course of study from being too much directed to branches which have no immediate connection with the management of ships of war at sea, but also to keep alive within the midshipmen themselves a desire to become at home upon the ocean. Their naval education when they leave the Academy, notwithstanding the very great advantages which they have enjoyed, is necessarily incomplete, because they have not had sufficient opportunity to acquire the requisite experience at sea, to fit them for receiving commissions as officers of the Navy. A summer cruise of a few months' duration during three seasons of their course (amounting to perhaps a twelvemonth in all) cannot supply that experience; and in order to remedy this deficiency, the board renews the recommendation of the board of last year, "that the midshipmen, on leaving the Academy, shall be sent to sea on board our ships of war in active service [and not again in practice ships] in numbers proportionate to the class of vessel," and that they serve at sea, as midshipmen, messing in the steerage, and performing the duties appropriate to their age and rank for at least two years before being examined for further promotion. The board also recommend that this examination shall be made competitive and shall determine the standing of midshipmen on promotion to ensigns.

The exercises of the midshipmen at howitzer and mortar practice; at target firing with great guns; at general quarters; at infantry drill; in boats; with sails and spars; at fencing; and at gymnastics, were most satisfactory, and their high proficiency in these varied exercises shows the excellence of their manual training.

The oral examination of the classes in seamanship as relating to rigging ships and as to maneuvers, was as satisfactory as the limited opportunities now afforded to the midshipmen in this branch during their term at the Academy permits. The board recommend most decidedly that more time shall be allotted to exercises and instruction in this department, the first and the last as it is in professional importance. Everything else that midshipmen can be taught is of but little consequence, if they are incapable in the care and management of ships, and in addition to previous recommendations, the board suggests that the practice cruises be extended to four months, mainly spent actually at sea, and that no midshipman or instructor of midshipmen in seamanship shall be excused from these cruises, if in health, for any reason whatever.

The oral examinations in gunnery were satisfactory, but the board consider that instruction in field fortifications should not be carried further than as relates to temporary earth-works.

Written examinations in naval construction and navigation were satisfactory as to theoretical knowledge. It appears to the board that practical instruction in nautical surveying, so far at least as is applicable to rivers and harbors, should be carried out. Hydrography in the naval profession is a coördinate of seamanship, and all midshipmen should be made capable, at the least, of taking part in the simple surveys which are likely to be carried on by ships of war during a cruise.

The specimens of drawing exhibited show that the midshipmen generally are proficient enough in this branch to make their skill available in plotting surveys, and also that due attention is paid to this accomplishment in regard to its ordinary usefulness.

The physical culture of the midshipmen in the great variety of pro-

senting themselves for admission into the marine corps. For these reasons we recommend, on completion of the new hospital, that the old one be retained as at present for the necessary uses of the medical department.

As the result of careful inquiry, we are happy to have it in our power to state that the health of the midshipmen is not only excellent at this time, but that it has been so during the whole of the past year. No epidemic has prevailed, and few cases of serious illness of any kind have manifested themselves. Not a single death from any cause has occurred among the pupils of the Academy since the report of the last Board of Visitors.

The physical development of the midshipmen in the main is everything that could be desired. These fine results amply vindicate the soundness of judgment which fostered, though within rational limits, the natural fondness of these young men for athletic sports and exercises. Without doubt much of the robust health they have enjoyed may fairly be attributed to this cause.

As a sanitary measure, as well as on the ground of expediency, we would earnestly recommend that the art of swimming be taught to all the pupils of the Academy. Regarding this as a matter of great importance, we would suggest to the Department that a teacher of swimming be appointed and a suitable building erected at a moderate cost for the purpose indicated.

The board would also renew the recommendation of the board of last year for the purchase of about twelve acres of land adjacent to and overlooked by the new quarters of the midshipmen. This land is covered by a very undesirable class of tenements, and it is believed might be purchased by the Government at a moderate cost.

The board made a careful examination of the books of the paymaster, with a view to learn his mode of keeping the accounts of the midshipmen, as well as of all disbursements connected with the Naval Academy. Every facility for this inspection was freely extended by the paymaster, and it affords the board great satisfaction to state that the system pursued is an admirable one, beneficial alike to the Government and to the midshipmen.

An inspection of the store from which the midshipmen are furnished with their clothing, bedding, books, and other necessities, was made. The several articles were examined, and all found to be of the best quality, and the clothing well made. These various goods are purchased by the paymaster in charge of stores at the lowest wholesale prices of the great markets of the country, where they can be procured on the most advantageous terms and furnished to the midshipmen at a small advance sufficient to cover the cost of transportation. For their outer garments a tailor visits the yard every week, and takes the measure of such as desire them. By this means the articles referred to are furnished at from 33 to 50 per cent. less than similar articles are usually obtained at retail in any market in the country. This system, so advantageous to the midshipmen, cannot, we think, be improved upon.

The board feel great pleasure in expressing their satisfaction with the excellent arrangements of the subsistence department, which is due to the long experience and efficiency of the commissary in charge, a gentleman who has performed these duties for twenty years. The large and airy mess rooms, the tables and their furnishings, and the food prepared for the table, all of which are under the direct supervision of the purveyor, were particularly noticed by the board, and have their entire approval.

The system of rotating the heads of the several scientific departments of instruction in three or four years, which is understood to prevail to a certain extent in the institution, and which has attracted the attention of previous Boards of Visitors, may be regarded as of doubtful expediency. If the object of the Academy is to found a thorough educational course in the departments referred to, the experience of the best schools undoubtedly suggests greater permanency of administration in this regard. Gratifying progress has been made toward high professional scholarship, and the service is now realizing the advantages of the institution in the services of the graduates who have reached the grades which render them eligible to professorships. It may therefore be worthy of consideration, whether, where these heads of departments are found to be signally adapted to the departments in which their experience has enlarged their qualifications, it may not be best to retain them for long periods in such positions.

It is believed that the fixed habits and tastes of officers who have had their training in the naval service will insure to their teachings the pride and spirit of the profession, while their own educational advancement, and the increasing knowledge which they must necessarily gain by experience in communicating it, cannot fail to yield to the pupils superior facilities for higher attainment in general and professional science, without diminishing the practical efficiency of the special and appropriate duties of the naval service.

The board is also of the opinion that the age of admission into the Academy can be modified with decidedly beneficial effect. Boys of fourteen are seldom fitted to pursue the course of study adopted in the institution, nor do they appreciate the advantages arising from strict attention to study and discipline. If the minimum age of admission was fixed at sixteen, it is believed that the number of failures would be reduced, and the interest of the service advanced.

The requirements for admission into the Academy are lower than seem to the board desirable. Four months are now devoted to the study of arithmetic, and a large portion of time to grammar and geography. Surely the common schools in every part of the country afford every facility for candidates to prepare themselves in these branches, and if those who are appointed would know the fact a few months previous to the time they would be required to report for admission, they would prepare themselves, even if their education in these branches had been previously neglected.

The board heartily approves of competitive examinations, in the selection and appointment of midshipmen. Those now at the Academy selected in this manner have proven to be among the most efficient in the institution, and it is gratifying to the board to learn that in several of the congressional districts where appointments are to be made, young men desirous to enter the Academy have been invited to appear before a body of teachers and submit to an examination; the one standing highest in the departments of study required, to receive the nomination for the Academy. A physical examination might also be made, before the candidate presents himself at the Academy for admission. By such a course in the selection of young men for the Academy, a better class, both mentally and physically, would be obtained; the choice would be made without regard to the social or political position of the candidate; and the young men who, upon examination, are not found qualified to enter the Academy, would be saved the expense of coming to Annapolis, as well as the mortification attending a rejection.

Since the last annual examination, the anticipated retirement of Vice-

No. 1.—*Estimates of appropriations required for the service of the fiscal year ending June 30, 1872, by the United States Naval Academy.*

Detailed objects of expenditure, and explanations.	Estimated amount which will be required for each detailed object of expenditure.	Amount appropriated for the current fiscal year ending June 30, 1871.
NAVAL ACADEMY.		
Pay of professors and others:		
Five professors, viz: One of mathematics, (head of department,) at \$3,000, and one at \$2,400, (assistant;) one of chemistry, of ethics, and English studies, and of French, at \$2,400 each.	\$12,600 00	
Fourteen assistant professors, viz: Five of French, two of Spanish, three of ethics and English studies, one of mathematics, one of astronomy, and two of drawing, at \$1,600 each.	22,400 00	
Sword-master, at \$1,200, and two assistants, at \$1,000 each	3,200 00	
Boxing-master and gymnast, at \$1,200, and assistant librarian, at \$1,400	2,600 00	
Three clerks to superintendent, at \$1,200, \$1,000, and \$800	3,000 00	
One clerk to paymaster	600 00	
Commissary, at \$288, messenger to superintendent, at \$900, and cook, at \$325 50.	1,213 50	
Armorer, at \$529 50, gunners' mate, at \$469 50, and quarter-gunner, at \$409 50 Coxswain, at \$469 50, and three seamen in department of seamanship, &c., at \$349 50 each.	1,478 50	
Band-master, at \$528, and eighteen first-class musicians, at \$348 each	6,792 00	
Seven second-class musicians, at \$300 each, and two drummers and one fifer, (first-class,) at \$348 each.	3,144 00	
[NOTE.—It will be seen by the above estimate that the number of civil assistant professors is reduced, and an increase of pay is recommended for the professors and assistant professors. At its last session Congress made a liberal increase to the pay of commissioned professors in the Navy, and it seems but just that the civil professors and assistants at this Academy should participate in its liberality. Trusting to that liberality, and in the best interests of the Academy, this estimate for the professors has been based upon the minimum pay allowed to commissioned professors. The rate of pay now allowed to professors here is not sufficient to command and retain competent ones. In the case of the professor at the head of the department of mathematics, it is important that, in that essential branch of learning, its chief should not only be an accomplished mathematician, but have decided executive ability, and it is impossible to obtain or retain the services of such an one on less pay than that estimated for. The decrease of \$380 from the estimate submitted for the year ending June 30, 1871, is occasioned by the reduction of the clerical force of the Academy.]	58,476 00	\$58,856 00
Pay of watchmen and others:		
Captain of the watch, at \$2 50 per diem	912 50	
Four watchmen, at \$2 25 per diem, each	3,285 00	
One foreman at the gas and steam-heating works, at \$4 per diem	1,460 00	
Twelve attendants at the gas and steam-heating works at Academy, new quarters for cadet-midshipmen, and school-ships, one at \$3 50, three at \$3, and eight at \$2 50 per diem.	11,662 00	
Three joiners, two painters, and two masons, at \$3 50 per diem, each	8,942 50	
One tinner, one gas-fitter, and one blacksmith, at \$3 50 per diem, each	3,832 50	
	30,294 50	27,531 25
[NOTE.—The excess of \$2,463 25 over the amount appropriated last year is occasioned by an increase of 50 cents per day to the pay of several of the mechanics, and an addition of two attendants at the steam-heating works, at the new quarters for cadet-midshipmen, at \$2 50 per diem, each.]		
Pay of mechanics and others:		
One mechanic at workshop, at \$2 25 per diem	882 25	
One master-laborer, to keep public grounds in order, at \$2 28 per diem.	872 50	
Fourteen laborers to assist in same, three at \$2 per diem, each, and eleven at \$1 75 per diem, each.	9,216 50	
One laborer to superintend quarters of cadet-midshipmen, public grounds, &c., at \$2 28 per diem.	832 50	
Four attendants at recitation-rooms, library, chapel, and offices, at \$20 per month.	960 00	
Twenty servants, to keep in order and attend to quarters of cadet-midshipmen, public buildings, &c., at \$30 per month.	4,800 00	
	17,462 75	17,462 75
Pay in department of steam engineering:		
One machinist, at \$3 50 per diem	1,277 50	
One machinist, at \$3 per diem	1,085 00	
One blacksmith, at \$3 50 per diem	1,277 50	
One boiler-maker, at \$3 50 per diem	1,277 50	
One pattern-maker, at \$3 50 per diem	1,277 50	
One molder, at \$3 50 per diem	1,277 50	
Two laborers, at \$1 75 per diem	1,277 50	
	8,740 00	8,740 00

No. 1.—*Estimates of appropriations, &c.*—Continued.

Detailed objects of expenditure, and explanations.	Estimated amount which will be required for each detailed object of expenditure.	Amount appropriated for the current fiscal year ending June 30, 1871.
<i>Repairs and improvements.</i>		
For necessary repairs of public buildings, and furniture and fixtures \$9, 500 00 for the same.		
For repairing the walls inclosing the grounds of the Academy, and for protecting cemetery lot from damage by water. 2, 500 00		
For repairs of wharves..... 2, 500 00		
For furniture for house appropriated to the use of the Board of Visitors. 6, 758 52		
	\$21, 258 52	\$40, 000 000
<i>Contingent expenses.</i>		
Material for heating and lighting the Academy, and school-ships, quarters, &c.. 19, 500 00		
Purchase of books for the library..... 2, 000 00		
Stationery, blank books, maps, and models..... 3, 459 00		
For expenses of the Board of Visitors..... 2, 000 00		
Postage in public service..... 750 00		
Expenses in the astronomical and philosophical departments..... 500 00		
Purchase of steam machinery, steam pipe and fixtures, for rent of Buildings for use of the Academy, for freight, cartage, water, musical instruments, uniforms for bandmen, telegraphing, and for the current expenses and repairs of all kinds, and for incidental labor not applicable to any other appropriation. 34, 200 00		
For rent of quarters for foreman of gas and steam-heating works, at \$15 per month. 180 00		
Engineers' stores in department of steam engine..... 500 00		
Material for repair of steam machinery..... 1, 000 00		
	64, 089 00	67, 430 00
Total.....	200, 340 77	220, 340 00
Decrease.....	19, 999 23	

Respectfully submitted.

JOHN L. WORDEN,
Commodore and Superintendent Naval Academy.

NAVAL ACADEMY, Annapolis, Maryland, October 24, 1870.

No. 3.

BUREAU OF NAVIGATION.

BUREAU OF NAVIGATION, NAVY DEPARTMENT,
Washington, October 25, 1870.

SIR: I have the honor to submit the following report of the Bureau of Navigation for the past year, together with estimates for its support, and for the expenditures that will probably be required in that division of the naval service committed to its immediate charge, for the fiscal year ending June 30, 1872. Included in this report, and transmitted herewith, are the reports and estimates of the Superintendents of the Naval Observatory and Nautical Almanac, of the officer in charge of the Hydrographic Office, and of the Chief Signal Officer of the Navy.

I.—NAVIGATION.

Navigation supplies.—Under this head there is little to be added to the report of last year.

Relative to the allusion in the preceding report to the trial then being made of liquid azimuth compasses on board vessels of the Navy, with a view to ascertain their relative fitness for use at sea, in comparison with *dry* ones, it may now be remarked that, as experience shows how much the former are superior to the latter, orders have been given for the adoption in the Navy of the *wet* compass, both for azimuth and steering. The *dry* are still issued as spare compasses.

Allusion was made in the last report to the dependence of the United States, in both its naval and merchant marine, on foreign sources for its supply of charts and sailing directions. This, with certain as yet not very important exceptions, still continues; and it must continue until the means are afforded, through liberal appropriations, for providing an adequate supply under Government supervision.

Trials have been made during the year of several different arrangements for signal communication on board ship, having for their object to afford improved facilities for the prompt and certain transmission of orders to the wheel and engine room. Considerable promise of improvement in this way has been realized.

II.—NAVAL OBSERVATORY.

During the past year the new west wing for the large transit circle has been completed, and that fine instrument set up and brought into active use.

A contract has been made by the Superintendent, under the provisions of section 18 of the act making appropriations for the Navy, July 15, 1870, for a refracting telescope of the largest size, to be completed in four years.

I respectfully recommend to your favorable consideration the estimates of the Superintendent of the Naval Observatory, as necessary to preserve the high standing it has attained among such institutions. The publication of its annual volume always contains most valuable contributions to science, evincing great industry on the part of its *personnel*, and should receive the fostering care of the Department and of the Government.

III.—NAUTICAL ALMANAC.

The work on the Nautical Almanac during the year calls for no special remark. The efforts made for several years past to advance the date of this publication have finally resulted in enabling the office to supply the almanac to navigators fully three years in advance of date. It is thus available for the longest whaling or cruising voyages.

The almanac is now supplied generally to the Navy, to American merchant ships, to the Engineer Corps of the Army, to geographical exploring parties, and to private astronomers, as well as to colleges and other public institutions throughout the country.

IV.—HYDROGRAPHIC OFFICE.

Considerable progress has been made, as will be seen by the report of the officer lately in charge, in preparing and publishing charts and sketches during the past year. It is, however, to be regretted that, in consequence of the limited appropriation for this purpose, the less expensive but more imperfect kind of *autographic* work must be more or less resorted to, instead of the preferable but more costly mode of plate or stone engraving. All the work of this office should be done with a

view to permanent results, and, to this end, every proposed chart of sufficient importance to justify it should be carefully engraved, the plate electrotyped, and the printing done from the latter, in order to preserve the former in permanence.

The estimates submitted by the present officer in charge, providing for an enlarged scale of operations, are respectfully recommended to your most favorable consideration. The urgent need of such an enlargement is set forth by that officer in a note appended to these estimates. The commercial marine of the United States, for obvious reasons, should not be dependent upon foreign sources for its charts and sailing directions; and still less should the Navy be required to import these indispensable nautical auxiliaries. All foreign maritime governments, without exception, supply these articles through their hydrographic offices, which are generally most amply provided with the requisite facilities for their production, with due regard to accuracy of construction and to a creditable appearance.

The building occupied in common by the Hydrographic Office and Nautical Almanac Office is insufficient in several respects for the wants of the former; more immediately for the enlarged arrangement of the plate and stone printing. This building being leased by the Government makes it inexpedient to expend much in alteration or addition.

V.—THE NAVY SIGNAL SYSTEM.

The report of the Chief Signal Officer of the Navy sets forth what has been done under his immediate direction during the past year toward introducing the use of the Army signal system into the Navy, as an auxiliary to the Navy signal code. Its utility in signal communication with the Army, and in many other cases of shore and ship communication, is unquestionable, and would seem to well justify the small annual expense now incurred for instruction and material.

The importance can hardly be overestimated of providing means for signal communication, not only between the Navy and merchant vessels of the United States; but also between the war and merchant ships of the *different* maritime nations. The occasions for such communications frequently occur, and sometimes under the most urgent and critical circumstances.

The commercial code of signals having been prepared and reported to the British Board of Trade in 1856 by a special commission, composed of representatives from the Board of Trade, the British Admiralty, the Trinity House, Lloyd's Committee, and the several prominent British shipping associations, its use was immediately provided for in the services of both the naval and merchant marine of Great Britain. This code was introduced into the United States Navy by a Department order in 1860; its use was also recognized to a limited extent in the merchant marine of this country, but since the war it has practically disappeared from both services.

During the last few years the commercial code has been translated into the different languages of the principal maritime nations of Europe, but preserving in every case identically the same arrangement, so as to admit of precise equivalents in those languages for the same signal, throughout the book. By these means, two naval or two merchant ships, or a naval and a merchant ship, of different nations may readily communicate by signals. It has, in short, become an international code of signal communication.

It would therefore seem to be very desirable that the same code, with

the necessary means for using it, should be placed on board all sea-going vessels of the United States.

I have the honor to be, very respectfully, your obedient servant,
JAMES ALDEN,
Chief of Bureau.

Hon. GEORGE M. ROBESON,
Secretary of the Navy.

UNITED STATES NAVAL OBSERVATORY,
Washington, September 28, 1870.

COMMODORE: I submit herewith, in compliance with the Bureau's order of the 15th instant, estimates of the amount that will be required for the support of the Naval Observatory for the year ending June 30, 1872.

I have asked for a small increase to the pay of the aids and the clerk, which I think should be added, in order to retain assistant observers of proper standard of capability; and the clerk—there being but one—who performs duties which entitle him to the pay of a fourth-class clerk.

To cover the expense of copying from the observing-books, and preparing for publication our astronomical and meteorological observations, an item is included, which is rendered necessary by the order of the Department relieving from duty one of the retired officers who assisted in that work.

For the purchase of a new chronograph, to supply the place of the one that is old and worn out, the required sum of \$500 is asked for.

The work upon the "Theory and Tables of the Moon" will have progressed so far by the 1st of July next, as to require at that time the services of computers, and I have accordingly put in an estimate therefor.

In view of the part it is expected we should take in the coming transit of Venus, it will be necessary to prepare proper instruments, and a small estimate is made for their construction.

In the items above will be found the only difference between the sum now asked and that appropriated for the current year.

Respectfully submitted.

B. F. SANDS,
Commodore U. S. N., Superintendent.

Commodore JAMES ALDEN, U. S. N.,
Chief of Bureau of Navigation, Navy Department.

UNITED STATES NAVAL OBSERVATORY,
Washington, October 10, 1870.

COMMODORE: On the 28th ultimo I had the honor to submit estimates for the support of the United States Naval Observatory for the fiscal year ending June 30, 1872. I beg leave now to present a report of the operations of that establishment during the past year.

ASTRONOMICAL WORK.

The equatorial instrument.—The observers with the equatorial instrument during the past year have been Professors Simon Newcomb and Asaph Hall. Professor Newcomb's attention has, however, been given

Ignorance is the great Cause of vice & crime.
 Infinite knowledge produces infinite virtue.
 & doubt of the truth vitiates all society.

Here are proof. Mich Prison Report - Nov.

Out of Convicts - total - 552.
 Totally illiterate 57.

Commencing to read 50.

Can read a little haltingly 72.

" " " but not write 117
 506.

At good as illiterate - uneducated

Can read and write & partly 295.

Unknown - probably illiterate - 27.

More than 50% uneducated = 237. 25 - 295. 21

Then consider: St. Prison. Aggregate No. 55.

Out of 55 - who could read & write = 52.

Remaining of these - could be described - illiterate.

The rest read very imperfectly. Total 3.

Looked down on it 13.

In fact all were uneducated.

little resigned in January, and Mr. A. N. Skinner was appointed aid in his stead, and reported about the first of April. After the first of January, Professor Yarnall observed with both instruments, as occasion required, but confined his attention mostly to the mural circle, and observed a large number of stars whose declinations were partially or wholly unobserved, which places were necessary to fill up the hiatus in the general catalogue. Mr. Skinner has observed with the transit instrument, with occasional assistance from Professor Yarnall when he could spare the time from the mural circle. We have now nearly finished our star lists, and by the middle of the next year they will be completed. All stars observed after that time will have to go into a subsequent catalogue, and it will be desirable to commence the publication of the general catalogue as soon thereafter as possible, when a larger force will be required for computing and copying.

Since my last report Professor Yarnall has finished preparing for publication the observations made with the transit instrument during the year 1868, that work being now in press. Captain Whiting assisted in copying the observations of that year, and Professor Nourse in comparing with the original records work already copied. Mr. Frisby, aid, prepared a list of the mean places of the stars. Professor Yarnall also finished computing and reducing the observations made in 1869 with the same instrument; all of which observations and reductions are being copied from the record-books by Mr. Thomas Harrison, clerk, in addition to his other duties. After a list of mean places shall have been made, the entire work of the instrument will be ready for the printer.

Professor Yarnall is now engaged in reducing the observations made in 1870 with the mural circle, and has more than half the year's work reduced, having been delayed by severe sickness caused by malaria, so prevalent this year at the observatory. Mr. Skinner is engaged reducing the observations made with the mural circle in 1869. This work will be ready in time for publication, it being now copied upon sheets for that purpose.

Captain Whiting and Professor Beecher were employed in preparing and copying the observations for publication. Professor Beecher (retired) being relieved from duty, under the order of the Department relating to retired officers, I have inserted in the estimates the sum of \$1,200, that the work of copying may be kept up.

Telegraphic apparatus and connections.—The electro-magnetic and telegraphic apparatus connected with the observatory is under the charge of Professor Harkness, assisted by Mr. Gardner, and has worked well.

There are three lines of telegraph running out of the building. The first line runs to the Navy Department, where it controls a clock, which is made to beat in unison with the marble-case mean-time clock of the observatory. Correct time is thus furnished to the Department, the working of the apparatus continuing in all respects satisfactory.

The second line of telegraph runs to the Washington Fire Alarm Telegraph Office. It puts the observatory in connection with the fire-bells, and is used to furnish correct time to the city by striking them daily at 7 a. m., 12 m., and 6 p. m.

The third line of telegraph belongs to the Western Union Telegraph Company, and is a loop from the wire which they designate as No. 7 south. By means of it are distributed the time signals which serve to regulate the clocks of nearly all the railroads in the Southern States. In November the mean-time clock, by which these signals are sent, was taken down, its movement cleaned, its dials resilvered, and a new tele

graph connection for its pendulum attached. Since then, it has been running remarkably well.

The Western Union Telegraph Company have continued their kindness, frequently shown us in this way, by giving us the free use of their wires to determine the difference of longitude between this city and St. Louis. Signals were exchanged on four nights, between April 12 and April 30, and they place the station near the southwest corner of Washington University, at St. Louis,

$$0^h 52^m 36^s.91 \pm 0^s.015$$

west of the center of the dome of this observatory. This work was done at the request of, and jointly with, the United States Coast Survey; the observations and reductions at St. Louis being made by their officers, and the observations and reductions at Washington by the officers of the observatory.

Meteorological observations.—Professor J. R. Eastman, in addition to his other duties as observer, has charge of the meteorological department of the observatory.

The observations have been made at certain hours through day and night, as in previous years, and with the same instruments, by the watchmen, under the direction of the officer having charge of the work. Extra duty during a portion of the year, in the astronomical department, has prevented the desired progress in the preparation of the observations of 1868 and 1869 for the press. The work for those years is about half completed.

There is still a lack of proper instruments and accommodations, and I earnestly request that the appropriation asked in 1869 for meteorological instruments may be urged for this year, that we may keep pace with the improvements of the age made in Europe and in the private observatories of our own country.

Chronometers.—In the chronometer room there are 138 chronometers; all of which are ready for issue, with the exception of 11, which, having been repaired and cleaned within the last three months, are now under trial. During the year 62 chronometers have been issued to vessels of the Navy fitting for sea; 23 have been sent for cleaning and repairs; and 6 were loaned to the Coast Survey for use in the exploration of the Isthmus of Darien.

The chronometers made by Messrs. Negus, of New York, have given great satisfaction. They are extremely accurate as time-keepers, and are less affected by changes of temperature than other chronometers.

A history of the chronometers from the date of manufacture and purchase—a system of records lately adopted, and very desirable to enable us to determine the degree of reliability to be attached to each instrument and to give data for their adjustment—is progressing to completion; after which it will be less trouble to keep up the record to date, if the Department can detail the officers for the purpose.

Commander W. N. Jeffers, in charge of the chronometer room, was detached from the observatory in November 1869; since then, Commander J. Young has had charge to the 1st of October, when he was detached, as was also his assistant, Commander W. C. West, (retired,) leaving Commander S. L. Breese in charge, assisted by Lieutenant Commander Theodore F. Jewell.

The following officers have been on duty as assistants in the chronometer room, namely: Lieutenant Commander Charles McGregor, from April 26 to 17th August, 1870; Lieutenant Commander W. W. Maclay, from the 14th to 19th February; Master (Lieutenant) Frank Turnbull,

from October 1869 to August 1870; Ensign (Master) R. Clover, from October 1869 to March 1870; Ensign C. W. Jarboe, from March to July; and Ensign J. W. Carlin, in June and July of the present year.

It is to be hoped the Department will be able to continue the detail of younger officers, who are to be navigators, that they may become conversant with the requirements of the observatory in the care of chronometers.

Theory and tables of the moon.—In the work of revising the theory and tables of the moon, upon which Professor Newcomb is engaged, a new and more exact method of computing the effect of the attraction of the planets upon the motion of the moon has been worked out. A nearly complete list of stars, occultations of which by the moon have been observed since 1750, has been prepared; the total eclipse of 1715 at London has been calculated from Hansen's tables and compared with observations; and two occultations of Aldebaran, observed at Greenwich and London in 1680, have been similarly compared with Hansen's tables.

The results indicate that the positions of the moon at those dates are better represented by the old tables of Burekhardt than by those of Hansen. As the work is now approaching that stage in which a large amount of merely routine computation is to be performed, an appropriation of \$2,000 for this purpose is respectfully requested, and that sum is inserted in the estimates for the next fiscal year.

Transit of Venus.—The arrangements necessary to secure the successful observation of the transit of Venus, which will occur on December 8, 1874, have begun to receive the attention of the observatory.

It is essential to the complete success of these observations that the various parties which may be sent out by the Government should make their observations on a uniform and carefully prepared plan.

The Superintendent of the Observatory has been invited to become a member of a committee of the National Academy of Sciences, appointed to devise such a plan. The functions of the Academy being purely advisory, and it being expected that the coöperation and assistance of the ablest astronomers of the country would be secured by this committee, the invitation was accepted.

Although this committee has not yet met, certain experiments and trials with the apparatus and instruments of observation are necessary in any case. As many experiments and many alterations of apparatus, all requiring time and careful consideration, may be necessary, the small appropriation of \$3,000, for instruments and apparatus, is called for.

ECLIPSE OF DECEMBER 22, 1870.

The eminent success of the officers of the observatory, engaged in the observation of the August eclipse, 1869, made it desirable that their experience should not be lost in the approaching eclipse in Europe, and the observatory made an early movement to organize parties for that purpose. Failing to obtain an appropriation for the purpose of engaging the services of observers outside of our own institution, the Department, ever ready to contribute all in its power to the advancement of science, ordered, at the request of the Superintendent of the Observatory, four of its professors for that duty, namely, Professor S. Newcomb, in addition to other special duty in Europe; Professors A. Hall, William Harkness, and J. R. Eastman, each having special duties, to occupy stations at Gibraltar, or Algiers, and at Syracuse in Sicily. The observatory reports of these officers of the August eclipse, already pub-

lished, give promise of able contributions to science; and in this way we hope to add our mite to the information to be gained upon such interesting occasions.

The officers will depart for their several destinations on October 20 and 2d of November.

THE LIBRARY.

Through its increasing exchanges with other institutions, its chief reliance, the library has a steady growth. The number of copies of the annual volume of observations having been increased, the observatory will be better prepared to answer the calls made for these. The volume for the year 1867, a quarto of 892 pages, was received from the Government Printing Office September 8. Its distribution was begun the same day to observatories, colleges, and scientific institutions and individuals at home and in foreign countries.

In February last, the eclipse report, already referred to, was received from the printer, and nearly one thousand copies almost immediately distributed. Many requests for this work are now on file, awaiting the issue of the second edition ordered by Congress.

It is gratifying to the observatory to have upon its files very high commendations of this work from some of the first astronomers abroad as well as in the United States, and the same remark is true of the annual volume lately sent out, so far as acknowledgments of its receipts have come to hand.

The correspondence of the library in conducting its exchanges, and in distributing its publications, remains in the charge of Professor J. E. Nourse, United States Navy. He also assists in the preparation of the sheets of the annual volume of observations for the press.

The erection of the new observing room for the great transit circle left the old room available for the library, which had hitherto been in the frame portion of the south wing, an unsafe building for our valuable collection of scientific works, and the entrance to which was through the prime vertical room, much to the interruption of the observers. This change is now being made by the removal of the shelves and books to the safer and more convenient apartment vacated by the removal of the transit circle.

The suggestion which I made in my last report, in regard to the pay of the professors, to enable the observatory to retain an efficient corps of astronomers, having been carried out in the Navy pay-bill, passed last session of Congress, I have now only to repeat the request made in that report in regard to the three aids:

These gentlemen, before being appointed, were required to undergo a strict examination as to mathematical attainments and knowledge of general science, and to prove their fitness for appointment by a high standard. They are frequently required to perform the duties of observer as well as computer; the more experienced observing on alternate nights with the professors. Considering the value of their services, I earnestly recommend a small increase to the pay of the three assistant observers or aids. They now receive at the rate of \$1,333 33 each, (\$4,000 for the three.) I recommend that their pay be graduated or classified as follows:

First aid or assistant observer	\$1,600 per annum.
Second aid or assistant observer.....	1,500 per annum.
Third aid or assistant observer.....	1,400 per annum.

which will only be an increase of \$500, distributed among the three according to their experience or capability.

I would also urge that the clerk, the only one allowed the observatory, who has charge of all its correspondence, accounts, &c., and whose

duties are of a peculiarly arduous nature, be placed upon the footing, as to pay, of a fourth-class clerk.

Very respectfully, your obedient servant,

B. F. SANDS,
Commodore, Superintendent.

Commodore JAMES ALDEN, U. S. N.,
Chief of Bureau of Navigation, Navy Department.

NAUTICAL ALMANAC OFFICE,
Washington, D. C., October 15, 1870.

SIR: I have the honor to submit the following report of the work of this office during the past year:

The preparation of the American Ephemeris and Nautical Almanac has continued as in previous years, the work and the methods by which it is accomplished being the same from year to year.

The complete Ephemeris for each year comprises all relating to the places of the sun, moon, planets, and fixed stars, that is needed by astronomers. It is supplied to the Navy and naval stations, observatories, astronomers, and to colleges and other public institutions whose professors are engaged in astronomical observations or investigations; also, to the Coast Survey, the Bureau of Engineers, and the Land Office, for their surveying and exploring parties. About 200 copies are sold each year, besides those distributed gratuitously.

A smaller volume, containing one-half of the former, is published for the use of navigators. Nearly 5,000 copies are required each year for the supply of the mercantile marine.

During the year have been printed 500 copies of the large almanac for 1870; 500 copies of the large almanac for 1872; 2,000 copies of the small almanac for 1870; 4,000 copies of the small almanac for 1871; 1,000 copies of the small almanac for 1872; 200 copies of the Tables of Harmonia.

At the date of my last report the Ephemeris for 1872 was nearly all in the hands of the printer. The small volume was received in March last, the large volume in April.

The Ephemeris for 1873 is completed and stereotyped. The small volume is printed, and is daily expected from the binder; the complete Ephemeris awaits only the final correction of the plates.

Considerable progress has also been made in the Ephemeris for 1874, with the expectation that its preparation will be completed before next May. The portions relating to the sun and several of the planets are already in the hands of the printer.

This office provides for the Ephemeris of 8 only of the 112 small planets which have been discovered between the orbits of Mars and Jupiter. Astronomers may fairly claim from us a larger proportion of this work.

The work of revising the elements and tables of the four larger planets is still progressing, though less rapidly than I desire. A revision of the elements and tables of Venus has also been undertaken, as a necessary preparation for the transits of Venus in 1874 and 1878.

The revision of the tables of the moon was commenced several years ago under the direction of Professor Peirce, but after some progress had been made, was suspended for want of a sufficient and adequate force of computers. It is understood that Professor Simon Newcomb, United

- States Navy, has now undertaken it under the auspices of the Naval Observatory.

Estimates of the expenses of the office for the fiscal year ending June 30, 1872, have already been submitted to you.

I am, very respectfully, your obedient servant,

J. H. C. COFFIN,

Professor Mathematics United States Navy, Superintendent.

Commodore JAMES ALDEN, U. S. N.,

Chief of Bureau of Navigation, Washington, D. C.

HYDROGRAPHIC OFFICE,

Washington, October 1, 1870.

COMMODORE: I have the honor to submit the following report of the operations of this office during the last year, leaving to my successor to present to you such estimates as he may deem necessary for the coming fiscal year:

The spirit as well as the language of the law of 1866, establishing this office, has been carried out, faithfully and successfully, during the past year; much more could, however, have been accomplished in the same direction with a larger appropriation. The field for improvement is as extensive as the oceans and seas traversed by our commerce, and to the latter is due a sufficient appropriation to enable this office, through the supervising aid of the Department, not only to utilize a large amount of material now on hand, but to collect, systematize, and publish useful and reliable nautical information from whatever source derived.

Notwithstanding the small force employed in the office, and the many changes that have taken place during the year, the usual routine of supplying books, charts, hydrographic notices, &c., to squadrons, agents, dealers, &c., has met with no serious interruption; while the constant work of correcting charts issued and to be issued, has steadily progressed, resulting in placing before the country many new charts, and leaving corrected and ready for the engraver many more that are only waiting the authority of the Bureau to be published. (See accompanying list.)

A revised edition of the Pacific Dangers is now being published, and with a little additional aid, which I hope it will be the pleasure as well as in the power of the Bureau to furnish, the office will soon be able to furnish general sailing directions, for our own coast at least, without being dependent upon foreign publications.

The demand for our charts is gradually increasing, notwithstanding the decline of our commerce within the last few years; they are especially intended for ocean commerce, and not to infringe upon the United States Coast Survey charts, which are necessarily confined to *our own coast* and its inland waters.

We are still indebted to foreign governments for charts of distant seas, and although we have been enabled to reduce our demand for such charts during this year, the expense remains considerable. A further reduction has been made by adopting a cheaper mode of duplicating charts by a process of autographing and transfer, which, although less perfect in many cases, may be made to answer the general purposes of navigation.

This process, however, is exceptionable, and cannot be universally and successfully adhered to; hence it is necessary to return to the more

expensive mode of engraving, lithographing, and electrotyping, which requires time as well as expense.

I am, very respectfully, your obedient servant,

GEO. F. EMMONS,
Commodore United States Navy.

Commodore JAMES ALDEN,
Chief of the Bureau of Navigation.

List of charts made since October 9, 1869.

- No. 5. The bar at the entrance to Welles Harbor, Midway Islands. (Autographed.)
- No. 227. Kuru-Sima no Seto, Japan Inland Sea. (Autographed.)
- No. 228. Gulf of Osaka and Akasi Straits, Japan. (Copperplate.)
- No. 229. Opunohu or Open Bay, Eimeo Island, Society Group. (Stone.)
- No. 230. Kodiak Island, Alaska. (Autographed.)
- No. 255. Sagitsu-no-Ura, Japan, Kiusiu west coast. (Autographed.)
- No. 256. Channel between Lamtia Island and House Hill, China Sea. (Autographed.)
- No. 257. Hai-Tan Strait, China, east coast. (Autographed.)
- No. 258. Entrance of Samana Gulf and plan of Samana Bay. (Autographed.)
- No. 259. Duncan Bay, North America, west coast. (Autographed.)
- No. 260. Harbors and anchorages in Magellan Strait. (Autographed.)
- No. 261. Santa Cruz Islands, Southwest Pacific. (Autographed.)
- No. 262. Marquesas Islands, general chart, South Pacific Ocean. (Autographed.)
- No. 263. Harbors in the Marquesas Islands. (Autographed.)
- No. 264. Harbors and anchorages in Magellan Strait. (Autographed.)
- No. 265. Plans on the west coast of Patagonia, South America. (Autographed.)
- No. 266. Plans on the west coast of Patagonia, South America. (Autographed.)
- No. 267. Harbors and anchorages on the northwest coast of Nipon. (Autographed.)
- No. 268. Nanao Harbor, northwest coast of Nipon. (Autographed.)
- No. 269. Harbors and anchorages in Magellan Strait. (Autographed.)
- No. 270. The port of Matanzas, north coast of Cuba. (Autographed.)

List of charts corrected from plates purchased from G. W. Blunt.

- No. 27. Bermuda Islands.
- No. 34. Gulf of Mexico, West Indies, and Caribbean Sea, sheet 4.
- No. 35. Gulf of Mexico, West Indies, and Caribbean Sea, sheet 5.
- No. 36. Gulf of Mexico, West Indies, and Caribbean Sea, sheet 6.
- No. 238. East coast of North America, sheet 4.
- No. 239. East coast of North America, sheet 5.
- No. 240. North coast of Gulf of Mexico, sheet 1.
- No. 241. North coast of Gulf of Mexico, sheet 2.

Additional corrections made on charts from later information, hydrographic notices, &c.

- No. 9, 15. River and Gulf of St. Lawrence, Newfoundland, Nova Scotia, and adjacent banks, sheets 1 and 2.
- No. 11. North Pacific Ocean, sheet 1. (Eastern part.)
- No. 16. East coast of North America, sheet 1.
- No. 17. East coast of North America, sheet 2.
- No. 18. East coast of North America, sheet 3.
- No. 19. Bahama Banks and Gulf of Florida, sheet 1.
- No. 21. North Atlantic Ocean, (western part,) sheet 1.
- No. 225. Southeast coast of Alaska.

Charts corrected on paper, and made ready for the engraver.

- No. 70. North Pacific Ocean, sheet 2.
- No. 12. North Pacific Ocean, sheet 3.
- No. 14. South Pacific Ocean, sheet 2.
- No. 13. South Pacific Ocean, sheet 3.
- No. 42. Indian Ocean, sheet 1.
- No. 43. Indian Ocean, sheet 2.
- No. 49. Gaspar Straits.
- No. 191. Keelung Harbor, Formosa Island.

Appended note relative to the estimates for hydrographic work.

HYDROGRAPHIC OFFICE,
Washington, October 7, 1870.

COMMODORE: As the amount of appropriations required for the coming year is being considered, I would respectfully ask the attention of the Bureau to the necessity of an additional appropriation for this office, in order to place it on a permanent footing and for its gradual increase. The amount appropriated for the present year is barely sufficient to carry on the office work and issue the charts at present belonging to this office.

In order to furnish our commerce with the necessary charts and books for navigation, it is necessary to increase, from year to year, the number of our plates, until we are in a condition to furnish every chart independent of the hydrographic office of Great Britain. Within the United States commerce has no office but this to look to for such a supply. I consider it also of the most vital importance that the building in which this office is located should belong to the Government, and be sufficiently extensive and fire-proof.

At the present moment the collection of charts, books, and instruments stored in this building is valuable; infinitely more so when it is considered that were any accident to happen to it, all our naval vessels would be without charts, &c., until another supply could be imported from England, and many of the books could not readily be replaced.

I would also state that the demand for the charts now published at this office is increasing. With a more extended commerce and an increase of the hydrographic publications, the office will yearly approach to self-paying, and the amount of purchase from abroad will decrease until we are wholly independent.

In addition to the amount heretofore appropriated for office work, correction of plates, &c., I would respectfully suggest that at least \$50,000 would be required for engraving and gradually increasing the number of plates; and for the purchase or construction of an appropriate building, \$40,000.

Looking to the necessity of a hydrographic establishment, both for our Government and commercial marine, I believe that the above estimate cannot but be considered as moderate.

I am, sir, very respectfully, your obedient servant,

R. H. WYMAN,

Captain U. S. Navy, in charge of Hydrographic Office.

Commodore JAMES ALDEN,

Chief of the Bureau of Navigation.

SIGNAL OFFICE, BUREAU OF NAVIGATION,
October 20, 1870.

SIR: In regard to the duties and operations of the Signal Corps of the Navy during the past year, I hereby respectfully report that twenty-six officers have received instruction at Washington, and successfully passed the full course of study and practice in the use of the Army code of signals, which has been introduced into, and adopted by, the Navy. In addition to these twenty-six officers, nine officers, after commencing instruction, were detached and ordered to sea before finishing the course.

This system of signals is found to be very conducive to efficiency in the way of rapid work with vessels and with parties, in communicating with each other.

Acknowledgment is due to Brigadier General A. J. Myer, United States Army, Chief Signal Officer, for the many facilities he has afforded to the Navy in prosecuting this system of instruction.

I am gratified to state that the officers take great interest in perfecting themselves in the use of these signals, and indeed in the use of all signals of late. The detailing of an officer for signal duty on board of each vessel of the Navy, to make a quarterly report of the skill and proficiency of those assigned to receive instruction, is found to work well, and the quarterly reports received at the Bureau of Navigation are highly satisfactory.

The new telegraphic dictionary issued by official circular September 5, 1870, will go into operation on the 1st of January, 1871. This will be a great improvement over the dictionary at present in use, having been enlarged and systematized.

One thing is greatly needed in the Navy and in the mercantile marine, in regard to signaling, and that is the having a systematic and efficient means of communicating at sea between American men-of-war and American merchantmen. A code should be adopted, by legal enactment if necessary, requiring every man-of-war and merchant vessel to carry a certain book and the requisite flags, so that signal communication could at all times be made with facility. The necessity of this has often been felt by our naval as well as by our merchant vessels when outside on our own coast, when abroad, when convoying in time of war, and when coöperating with the Army, as in the late civil war, in the transportation of troops and war supplies. Rogers's and Marryat's codes are considered the best, and one or the other should be adopted.

The work which I should recommend is Rogers's American edition, and "Marine Signal Flags of the Commercial Code of Signals for the use of all Nations," edition of 1864.

For the ensuing year about \$3,500 will be required for office rent, including fuel, for mules, ambulances, miscellaneous and contingent expenses, for carrying on the work of the Signal Department.

I am, sir, very respectfully, your obedient servant.

JOHN J. ALMY,

Commodore United States Navy and Chief Signal Officer.

Commodore JAMES ALDEN, U. S. N,
Chief of the Bureau of Navigation.

No. 4.

BUREAU OF ORDNANCE.

BUREAU OF ORDNANCE, NAVY DEPARTMENT.

October 19, 1870.

SIR: I have the honor to submit the annual report of the Bureau of Ordnance, with accompanying estimates for the fiscal year commencing July 1, 1871.

Since the date of my last annual report the work of the Bureau has been confined almost entirely to the ordnance equipment of the ships ordered into commission by the Department and to such repairs and improvements as the appropriations granted by Congress would permit.

The contract for 2,000 barrels of cannon powder, mentioned in my last report, has been completed, and another, for the 5,000 barrels authorized in the appropriation for the present fiscal year, is in progress of satisfactory execution.

A contract has also been entered into with the Builders' Iron Foundry of Providence, Rhode Island, for the manufacture of the ten 15-inch guns required for the battery of the Colossus. These will be completed and in readiness at New York to place on board the ship when she is completed.

The Bureau will also be prepared to furnish suitable carriages for these cannon, made of iron, with all the improvements for their rapid and precise handling in broadside or pivot.

The board convened, under authority of the Department, to examine and decide upon the most suitable system of breech-loading arms for the Navy, especially for a rifle to be used by the seamen when acting as light infantry, concluded their labors and submitted a voluminous report thereon, dated August 2, 1869. An extract from their report is hereto appended, from which it will be seen that, after a careful examination and trial of the several systems submitted to them, they unanimously recommended the Remington as the best for naval purposes. In consequence of this report, the Bureau, with the consent of the Department, engaged the manufacture of 10,000 Remington rifles, caliber .50, at the Springfield Armory, and entered into a contract with Mr. James T. Ames, of Chicopee, Massachusetts, to make the sword bayonets for them. The work has progressed satisfactorily, and by the 1st of January next the service will be supplied with a portion of the new arms. The muzzle-loading muskets and breech-loading Sharp and Hawkins carbines used during the war will be entirely withdrawn and sold.

In connection with this subject, and in confirmation of the judgment of the board and the action of the Bureau in adopting the Remington system of breech-loading, I would remark that the Army board, convened at St. Louis subsequently to the adjournment of the Navy board, also recommended for adoption the same system, and the very large shipments abroad of these arms, under orders from nearly all the governments of Europe, indicate that their military authorities are sensibly impressed with its excellence.

The payment for these arms will be made from the balances remaining in the treasury to the credit of appropriation "naval ordnance" at the date of the contracts, and not from the appropriation for the present fiscal year, which has been confined strictly to its objects.

I am gratified to report to the Department that the establishment of a torpedo station at Goat Island, in the harbor of Newport, has been, so far, productive of good results.

The reduced appropriation granted by Congress for the present fiscal year, though not by any means commensurate to this important object, has enabled the Bureau to supply each ship sent to sea since the 1st of July with a number of excellent torpedoes for offensive work, while at the same time a judicious expenditure has been made in necessary improvements upon the island, and in purchasing the needed machinery, chemicals, and materials for the manufacture and service of torpedoes, and in experiments. The nature of the work involves the observance of secrecy, and this is rigidly exacted from officers and employés. In fact, so much progress has been made that I have been enabled to request the Department to order a number of young officers to the station to receive instructions in offensive torpedo service, in order that they may, when

ordered to ships, be enabled to use this most formidable weapon with intelligence and a certainty of effect.

In this connection I feel it my duty to suggest to the Department that a special appropriation be asked for to construct at least five suitable vessels for torpedo service, and, with this view, that the naval constructor be called upon for plans and models of steam vessels, to be strongly built, sufficiently armored to resist the effort of ordinary shot or shells, and to have as much speed as may be consistent with their form and size. The conversion or adaptation of old or obsolete vessels to this service is out of the question.

The estimates submitted are much larger than the amount granted for the present fiscal year. They are, however, the result of careful consideration, and it is hoped that Congress will view them favorably.

The 15-inch cannon are necessary for the armament of our iron-clads, some to replace disabled guns and the remainder as a stock for any emergency that may arise.

There is also another most important subject relating to ordnance which I respectfully submit for the consideration of the Department and respectfully suggest that it be brought to the attention of the naval committees of Congress with the view of obtaining the necessary legislation; I refer to the subject of a suitable place for an experimental battery, where the important questions relating to ordnance and gunnery can be thoroughly and systematically tested.

* * * * *

An open beach of hard sand would be preferable for many reasons; and the spot selected should be sufficiently near to railroad or water communication for the easy transportation of guns, targets, and supplies of all kinds. No doubt such a place can be found either upon the sea-coast or on the shores of the Chesapeake Bay; and I would recommend that at least some inquiry be made in that direction, in order that full information will be in readiness for the use of the naval committees.

Our present condition is really a virtual abandonment of all effort to solve the great ordnance questions of the day. Even the smaller States of Europe are greatly in advance of us in experimental practice; and the evidences are that unless we bestir ourselves we will shortly be left behind in the race for supremacy in ordnance.

I have the honor to be, with highest respect, your obedient servant,
A. LUDLOW CASE,
Chief of Bureau.

Hon. GEO. M. ROBESON,
Secretary of the Navy.

No. 5.

BUREAU OF EQUIPMENT AND RECRUITING.

NAVY DEPARTMENT,
Bureau of Equipment and Recruiting, October 25, 1870.

SIR: I have the honor to submit the annual report of the Bureau of Equipment and Recruiting, together with the estimates for the fiscal year ending 30th June, 1872.

During the past fiscal year, under my predecessor in this Bureau, 24 vessels were fitted for sea in the Equipment Department; at present

work is proceeding on others as far as the amount of money appropriated will permit.

Wire rope has been adopted lately for the lighter standing rigging of all vessels requiring a new outfit, as it has been previously for the heavier; the trials made with it on the upper spars of several ships having proved most satisfactory. The greater durability of wire over hemp will lessen the cost of rigging vessels materially, and it is coming into universal use for this purpose.

A set of machinery for the manufacture of wire rope was purchased out of the appropriation of last year, and an estimate will be submitted, if not with this report, subsequently, for the cost of putting it into operation at the Boston navy yard. The ropewalk at that yard has furnished all the different sizes and quality of hemp, Manila, and hide cordage required for naval use. 1,373,835 pounds Russia hemp, at a cost of \$271,157 60; 85,320 pounds Manila hemp, at a cost of \$15,784 20; 112,587 pounds American hemp, at a cost of \$21,825 15, have been purchased during the year. 956,457 pounds rope from American and Russian hemp, 648,612 pounds rope from Manila, and 23,000 pounds rope from hide cordage, have been manufactured at an aggregate cost of \$385,423 36.

anchors, chain-cables, galleys, &c., have been made during the last year, at the Washington navy yard, for all the wants of the service, and their manufacture is continued with regard to the amount of money that can be applied to such purposes.

Condensers for distilling fresh water, ovens for baking fresh bread for the crew, balsas for life-rafts, and boat-lowering apparatus have been added to the equipment of vessels of the Navy during the past year.

Thirteen thousand tons of steamer coal have been contracted for during the present fiscal year, 10,000 tons deliverable at Philadelphia at \$4 08½, and 3,000 tons at New York at \$4 34 per ton.

The number of men allowed by law has been kept up, but not exceeded. Enlistments were stopped twice when the quota was full, and have now been resumed to a limited extent.

The recommendations of my predecessor, as to furnishing enlisted men with an outfit on entering the service, and as to apprehending deserters after the time of their enlistment has expired, and causing them to serve out their lost time, as is the case in the Army, are respectfully renewed.

I have the honor to be, very respectfully, your obedient servant,

WM. REYNOLDS,
Chief of Bureau.

HON. GEO. M. ROBESON,
Secretary of the Navy.

No. 6.

BUREAU OF YARDS AND DOCKS.

NAVY DEPARTMENT, BUREAU OF YARDS AND DOCKS,
Washington, D. C., October 25, 1870.

SIR: I have the honor to submit the annual report of operations at the several navy yards during the fiscal year ending 30th June, 1870, and other subjects relating thereto, coming under the cognizance of this Bureau, with estimates for improvements, repairs, &c., for the fiscal year ending 30th June, 1872.

The report of the board convened by the Department, and composed of Rear-Admirals C. K. Stribling, J. L. Lardner, and Samuel P. Lee, to examine the actual condition of the several navy yards, and make recommendations as to future improvements, has been considered by this Bureau. Copies of the report and plans made by the board have been sent to the different commandants of the navy yards, and other officers of high rank. In the full consideration of this subject, it is not unlikely that a change of the purpose of a building with suitable alterations would obviate the necessity of its removal, or that a different location of some of the works as now recommended might be found advantageous. The general discussion of the subject, with the proposed plans as a basis, will make it possible to improve the navy yards upon a fixed plan. The original plans of the yards were made many years ago, and were well adapted to the wants of the service at that time; the introduction of steam, and the changes made in ordnance and projectiles, rendered a modification of the plans, and the construction of new kinds of workshops necessary; and at this time still other classes of workshops are required for the construction of armored vessels, all of which should be properly arranged as a whole. Hence a revisal and modification of the plans of the different navy yards is of the utmost importance.

Great weight should be given to the report already made, if it should not be adopted entirely. It is most valuable, and indicates what is possible within the limits of our present establishments.

A large increase of workshops and dry-docks is recommended. Without an abundance of them no nation can hope to be considered or be formidable on the high seas. We have now only three stone dry-docks, two of which were completed thirty-seven years ago, and the third has been completed more than twenty years. These docks were built before armored vessels were in use, in fact, before steam vessels of war were general. The changes that have occurred in vessels adapted to naval warfare necessitate more numerous and enlarged docks, such as have been constructed in large numbers by the great maritime powers. Our deficiency in docks and navy yard facilities has been noted and reported to the most powerful European governments by persons charged with that subject. This lack of preparation may lead at any time to expenditures of enormous sums with small comparative results, as is always the case when made hastily. Even an inferior power may presume upon this want of preparation and make a war necessary, which a more judicious and timely expenditure of money might have obviated.

With the exception of a small appropriation made by the last Congress for the Mare Island navy yard, no appropriations have been made for improvements during the past four years; and those made for repairs of all kinds have been so insufficient at the different yards, that instead of gradual improvement, as was intended, we have dilapidation and decay. In May 1869, the expenses of all the class of watchmen known as ship-keepers, and several other onerous expenses, were assigned to this Bureau, without an assignment of funds to meet this extra demand upon the Bureau's resources. Estimates were made for the present fiscal year as required to meet these increased expenses, but no appropriation was made. Under your instructions and in accordance with a law, this Bureau covered into the treasury \$951,000, a large portion of which was taken from the fund from which these extra expenses were paid.

The assignment of "contingent" has been made to the different navy yards, from which these increased and other expenses are met, and the utmost economy in expenditure is practiced. It is yet a matter of doubt

whether it will be possible for the commandants of the different yards to limit the expenditures by the discharge of watchmen and other persons within the sums assigned, without grave injuries to the public interests, through a lack of sufficient care and through thefts, resultant from the reduction of the number of watchmen and others to a point below what is believed to be necessary for the security of the public property.

The filling up with mud and other material of the Wallabout Channel at the New York navy yard; of the waters adjacent the wharves at the Philadelphia navy yard; at the Norfolk navy yard, from sunken vessels; and the narrow, tortuous channel below the navy yard at Washington, renders considerable dredging necessary at those places. To meet this necessity four dredging machines of great power have been built on contract, and the work at some of the points named is in progress, and will be at the others as soon as appropriations are obtained.

The channel-way between the Washington navy yard and the arsenal has been examined by General Michler, of the Engineer Corps, who has submitted plans for its improvement, and the different plans considered in detail. The plan, modified as recommended by General Humphreys, meets the concurrence of this Bureau. I beg to call your attention to the importance of straightening and deepening this channel. A dredging machine of great power has been procured, and will be ready to operate when an appropriation is made for that purpose.

The question of the removal of the Brooklyn navy yard involves so many difficulties that it is thought, as a preliminary, that until a new site is selected within the lines of defense of New York City, the removal or sale of the navy yard cannot be considered advantageous. If, as seems not at all unlikely, torpedo boats can be made that will openly meet and destroy armored vessels, the present area of that yard will prove sufficient for all that may be required of it in the future.

The removal of the Naval Asylum from the suburbs of the city of Philadelphia to some agreeable water site on our coast, bays, or harbors, would be a judicious economy, and an act of humanity to the disabled men whose necessities make them dependent on the nation. Their past services merit a thoughtful care for their comfort and happiness; a want of pleasing objects to engage their attention is unavoidable where they now are, and would at once be attained by selecting a suitable site. The bad conduct shown at times by some of the inmates of the asylum is the natural consequence of the absence of agreeable objects to engage their attention and employ their minds.

The sale of the asylum and grounds would provide amply for the purchase of suitable grounds, the erection of buildings, and all the expenses incident to a removal, and probably leave a considerable sum to be disposed of as directed.

The operation of the law requiring all balances of appropriations remaining unexpended at the end of the fiscal year to be covered into the treasury is particularly detrimental to the progress of work under this Bureau. All appropriations for improvements at navy yards are for specific objects, and hence no preparations can be made for the purchase of materials until it is known what appropriations are to be made by Congress. The appropriation bills are generally passed at the last of the session, and the method prescribed by law for purchasing materials requires from two to three months, so that by the time the contracts are made the most of the working season has passed away, and the materials are received during the winter, when work of construction cannot be done; the result is that we have but three or four months of the next calendar year to perform the labor, and, by the time a building is in a

fair state of progress of erection, the law takes the funds from the Bureau, and the work is suspended and subjected to injury and loss from exposure to the weather, and the Department has again to apply to Congress for a reappropriation of funds to complete the work; the consequence is increased expense of construction, and loss of time in the completion. Under these circumstances it is hoped that Congress will see the propriety of repealing this law, or modifying it so far as the operations of this Bureau are affected.

It will be seen that nothing is asked for improvements beyond the urgent necessities of the present, except at the navy yard in California, which should be made capable of supplying the general wants of our Asiatic and Pacific squadrons. The expenditures during the past fiscal year and estimates for the next are at

KITTERY, MAINE.

The amount expended under the head of "Navy yard, Kittery," during the fiscal year ending 30th June, 1870, is, for materials, \$15,935 66, and for labor, \$72,450 83; making an aggregate of \$88,386 49.

The amount expended under the head of "Civil establishment" is \$11,150. The amount expended during the year for objects coming under the head of "Contingent" is \$119,732 45.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Kittery, Maine, \$150,000; for civil establishment at navy yard, Kittery, Maine, \$11,400.

BOSTON, MASSACHUSETTS.

The amount expended at this yard under the head of "Navy yard, Boston," during the fiscal year ending 30th June, 1870, is, for materials, \$28,487 47, and for labor, \$79,218 94; making an aggregate of \$107,706 41.

Under the appropriation "Emergencies at naval stations" there has been expended, for materials, \$3,561 15, and for labor, \$4,629 49; making an aggregate of \$8,190 64.

The amount expended under the head of "Civil establishment" is \$16,500. The amount expended under the head of "Contingent" is, for materials, \$40,285 21, and for labor, \$134,321 61; making an aggregate of \$174,606 82.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Boston, \$150,000; for Civil establishment at navy yard, Boston, \$12,700.

NEW YORK.

The amount expended under the head of navy yard, New York, during the fiscal year ending 30th June, 1870, is, for materials, \$109,827 11, and for labor, \$295,053 41; making an aggregate of \$404,880 52.

The amount expended under the head of "Civil establishment" is \$14,472. The amount expended under the head of "Contingent" is \$288,446 89.

Estimates are submitted for the fiscal year ending 30th June, 1872: For civil establishment, \$12,600; for navy yard, New York, \$230,000.

PHILADELPHIA.

The amount expended under the head of "Navy yard, Philadelphia,"

during the fiscal year ending 30th June, 1870, is, for materials, \$15,698 73, and for labor, \$7,144 78; making an aggregate of \$22,843 51.

The amount expended under the head of "Civil establishment" is \$10,900. The amount expended under the head of "Contingent" is \$77,329 85.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Philadelphia, \$100,000; for civil establishment, \$9,200.

WASHINGTON, D. C.

The amount expended under the head of "Navy yard, Washington," during the fiscal year ending 30th June, 1870, is, for materials, \$22,710 73, and for labor, \$33,054 53; making an aggregate of \$55,765 26. Under the appropriation for "Emergencies at naval stations" there has been expended, for material, \$90 00; and for labor, \$6,174 89; making an aggregate of \$6,264 89.

The amount expended under "Civil establishment" is \$9,900. The amount expended under head of "Contingent" is \$134,889 96.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Washington, \$155,000; for civil establishment, \$11,400.

NORFOLK, VIRGINIA.

The amount expended at this yard under the head of "Navy yard, Norfolk," during the fiscal year ending 30th June, 1870, is, for materials, \$11,376 40, and for labor, \$32,016 29; making an aggregate of \$43,392 69.

The amount expended under appropriation for "Civil establishment" is \$15,825. The amount expended under the head of "Contingent" is \$85,901 66.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Norfolk, \$135,000; for civil establishment, \$7,400.

PENSACOLA, FLORIDA.

The amount expended under head of "Navy yard, Pensacola," during the fiscal year ending 30th June, 1870, is, for materials, \$9,658 09; and for labor, \$6,642 77; making an aggregate of \$16,300 86.

Under the head of "Emergencies at naval stations" there has been expended for materials, \$5,046 42, and for labor, \$10,195 25; making an aggregate of \$15,241 67.

The amount expended under "Civil establishment" is \$5,150. The amount expended under the head of "Contingent" is \$36,910 12.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Pensacola, \$50,000; for civil establishment, \$5,100.

MARE ISLAND, CALIFORNIA.

The amount expended under the head of "Navy yard, Mare Island," during the fiscal year ending 30th June, 1870, is, for materials, \$29,199 46, and for labor, \$47,182 59; making an aggregate of \$76,382 05.

The amount expended under the head of "Civil establishment" is \$19,340. The amount expended under the head of "Contingent" is \$253,699 32.

Estimates are submitted for the fiscal year ending 30th June, 1872: For navy yard, Mare Island, \$400,000; for civil establishment, \$10,675.

SACKETT'S HARBOR.

The amount expended during the fiscal year ending 30th June, 1870, under head of "Naval station, Sackett's Harbor," is \$747 52.

The amount expended under the head of "Contingent" is \$75 03.

Estimates are submitted for the fiscal year ending 30th June, 1872: For naval station, Sackett's Harbor, \$1,000.

MOUND CITY.

The amount expended under the head of "Naval station, Mound City," during the fiscal year ending 30th June, 1870, is \$27,653 38.

The amount expended under the head of "Contingent" is \$19,116 46.

Estimates are submitted for the fiscal year ending 30th June, 1872: For naval station, Mound City, \$4,000.

NEW LONDON.

The amount expended during the fiscal year ending 30th June, 1870, under the head of "Naval station, New London," is \$1,273 51.

Estimates are submitted for the fiscal year ending 30th June, 1872: For naval station, New London, \$5,000.

LEAGUE ISLAND.

The amount expended at this station, under the head of "Emergencies at naval stations," during the fiscal year ending 30th June, 1870, is \$3,895. The amount expended under the head of "Contingent" is \$26,056 23.

KEY WEST.

The amount expended under the head of "Naval station, Key West," during the fiscal year ending 30th June, 1870, is \$3,559 04.

The amount expended under the head of "Coal depot" is \$321 36.

Estimates are submitted for the fiscal year ending 30th June, 1872: For naval station, Key West, \$30,000.

EMERGENCIES AT NAVAL STATIONS.

Under this head, as before enumerated, there has been expended at the several yards during the fiscal year ending 30th June, 1870, the sum of \$33,592 20. These expenditures, beyond the special appropriations, were found necessary at Boston, for the repair of wharves that had become unsafe; at Washington, from the destructive effects of a gale of wind; at Pensacola, from an insufficient appropriation for effecting necessary repairs; and at League Island, from the necessity of strengthening and repairing dykes, seriously injured by two extraordinary floods in the Delaware River.

Estimates are submitted for the fiscal year ending 30th June, 1872: For emergencies at naval stations, \$100,000.

NAVAL ASYLUM, PHILADELPHIA.

On the 1st July, 1869, there were 153 persons, including officers and attendants, borne on the rolls of the asylum. During the fiscal year ending 30th June, 1870, 19 beneficiaries have been admitted, 12 have

died, and 1 has been sent to the insane asylum. The expenses of the institution, for the support of the beneficiaries and pay of officers and attendants during the fiscal year, are—

For subsistence.....	\$18, 631 92
For clothing, tobacco, &c.....	9, 589 26
For miscellaneous items.....	13, 633 55
For officers and attendants.....	20, 341 68
Total	<u>62, 196 41</u>

The total amount estimated for the support of the institution during the fiscal year ending 30th June, 1872, is, for the annual repairs of buildings, improvement of cemetery, and support of beneficiaries, \$65,100, which by law is paid out of the naval pension fund.

PROTECTION OF TIMBER LANDS.

Prior to the war a number of agents were employed under this Bureau, whose duty it was to visit the timber lands frequently and to guard them against depredators. During the war the operations of these agents were suspended, and since then none have been appointed, there being no funds at the disposal of the Bureau to meet the expense. During the past year an officer was detailed to make a thorough examination of these lands, and report their condition and that of the timber on them. He has performed the duty with great energy, and made a lengthy report, containing much valuable information on the subject. It appears that there are large quantities of valuable timber upon these lands, and that, during the suspension of a proper supervision over them, many depredations have been and are now being committed. To guard against these losses, and to prosecute the parties who may be found pillaging the public property, an appropriation of \$9,000 is asked.

Respectfully, your obedient servant,

DAN'L AMMEN,
Chief of Bureau.

Hon. GEORGE M. ROBESON,
Secretary of the Navy.

No. 7.

BUREAU OF CONSTRUCTION AND REPAIR.

NAVY DEPARTMENT,
Bureau Construction and Repair, October 25, 1870.

SIR: In compliance with your instructions, I respectfully inclose the estimates of appropriations necessary for the purposes of this Bureau for the fiscal year ending June 30, 1872, as shown in the accompanying tables, marked A, B, and C, amounting in all to \$3,925,000, being \$922,500 less than the sum appropriated for the present fiscal year. This estimate has been limited under your instructions to the mere amount for which the ordinary repairs can be made, embracing no new work of any kind nor additional materials, and should any extraordinary repairs become necessary, this sum will not be sufficient.

If the six screw steamers on the stocks are to be completed, it will

require the additional sum of about \$2,300,000; and if the old ship of the line, Virginia, which now incumbers one of the best ship-houses, be completed as a receiving ship or other similar purpose, the further sum of \$350,000 will be necessary. This vessel was commenced in 1818. The New Orleans, ship of the line, on the stocks at Sackett Harbor, was commenced in 1815, and is altogether rotten and worthless. Besides these six screw steamers of the second class, and the two old ships of the line, there are on the stocks four iron-clad wooden vessels, designed for two turrets and four 15-inch guns to each vessel.

No work has been done to any of these vessels on the stocks during the past year, further than was necessary for their preservation. Some of them are in ship-houses and others under temporary roofs or sheds.

In addition to these vessels the Navy afloat consists of 52 screw steamers, 27 monitor iron-clad vessels, 20 light-draught monitors, 12 side-wheel steamers, 22 sailing vessels, and 35 store-ships and tugs.

The force in the navy yards has been employed in repairing old vessels that could not be dispensed with, as well as on many of the vessels built during the war. These last-named vessels, though built of the best material that could be obtained at the time, are rapidly decaying, and their repairs are becoming more extensive and costly. Their first cruises being in warm climates hastened the deterioration of the unseasoned timber.

The vessels in ordinary require much care for their preservation, and with all the precautions that can be taken to preserve them from the weather, they require constant calking, carpenter work, painting, &c., which after a time is not sufficient, and further repairs must be made, and it is essential they should be done without delay, so that the evil may not progress and render, a little later, more difficult and expensive repairs necessary. The expense is thus constantly increasing with the old vessels when there are no new ones with which to maintain the squadrons, and in many cases these vessels are so far opened in the examinations as to make rebuilding or abandonment absolutely necessary. These repairs have sometimes been but little short of the cost of a new vessel. There is a limit in cost beyond which, in time of peace, no vessel should be rebuilt; but in time of war it is different, for then the object is to have the greatest number of vessels afloat, and two vessels can be rebuilt at the cost of labor and materials for a new one.

It is suggested as advisable to launch the screw steamers now on the stocks, which from the character of the materials of which they are built cannot last as the older ships have done, and although the timber is better preserved when worked into the ship than the rough timber in the piles, there is, with such timber as these vessels are built of, a rapid depreciation. Other vessels should be commenced to take their place, of such character as it may be thought the Navy now needs. It is not prudent to postpone their construction and remain disarmed under the hope of obtaining, at a future day, something better; changes are slow in the construction and design of ships, and there is little fear of an enemy adopting improvements that cannot be applied to a vessel in process of construction. It requires too much time to build a ship-of-war to wait a declaration of war to commence building the ships that will be necessary.

The existence of a navy likewise depends upon its supply of materials being maintained, and it is in time of profound peace that this can be most economically done. With competent and honest persons in its employment, the Government should obtain them on better terms than private parties can do.

There are no conveniences at the navy yards for the construction of heavy iron-clad vessels, which should be of iron, for, if of wood, they will be more costly in the end, with the great risk of being found unfit for use when most needed, of which there are several instances. Vessels of such great weight can only have the necessary strength when built of iron; with all the appliances requisite for the construction of such a vessel, the building of a single one will require from three to four years.

Our harbors will not allow our vessels to have the draught of water which other nations have given to sea-going vessels of this kind, and it will require much careful consideration to determine the character of the vessels that should be adopted, as the draught of water is a vital principle in the construction of a sea-going vessel.

It is earnestly recommended that measures be taken to increase the facilities in the navy yards for the building of wooden ships. As far as relates to this Bureau, these are not greater than years ago, while in all the other departments of the service, shops and tools of all kinds have been more liberally provided.

The improvements referred to in the report of November 1866 are as necessary now as then.

I am, sir, with great respect, your obedient servant.

JOHN LENTHALL,
Chief of Bureau.

HON. GEORGE M. ROBESON,
Secretary of the Navy.

No. 8.

BUREAU OF MEDICINE AND SURGERY.

NAVY DEPARTMENT,
Bureau of Medicine and Surgery, October 25, 1870.

SIR: In compliance with your instructions of the 11th instant, I have the honor to submit the following report, together with estimates of the amount required for the Bureau of Medicine and Surgery for the fiscal year ending June 30, 1870.

I also submit tabular statements of sick, &c., compiled from the reports of sick from the different naval stations within the United States, and from vessels on home and foreign service, for the year ending December 31, 1869.

At the close of the year 1868 there remained under treatment 517 cases; during the year 1869 there occurred 12,678 cases of disease, injury, &c., making a total of 13,195 cases treated during the year, of which number 143 died, 12,455 were returned to duty or discharged the service, leaving 526 cases under treatment at the end of the year 1869.

The average strength of the Navy (officers, seamen, marines, engineer service, and Coast Survey included,) for the year 1869, as nearly as can be ascertained, was about 13,463.

The proportion of cases admitted to the whole number of persons in the service was about .094, or each person was on the sick list .94 times during the year. The proportion of deaths to the whole number in the service was .010, and the percentage of deaths to the whole number of cases is .011, or less than two per cent.

The total number of deaths from all causes reported at the Navy Department from October 1, 1869, to September 30, 1870, is 221.

INSANE OF THE NAVY.

On the 30th of September, 1869, there remained under treatment in the Government Asylum for the Insane near this city, 4 officers, 5 seamen, 4 landsmen, 1 coal-heaver, 1 first-class boy, 3 marines, 4 beneficiaries, and one late seaman; total.....	23
During the year ending September 30, 1870, there were admitted 1 seaman, 1 extra seaman, 3 landsmen, 2 late first-class boys, and 6 marines; total.....	13
Total number under treatment during the year.....	36
The discharges in the course of the year were, by improvement, 1 officer and 1 marine.....	2
By recovery, 1 landsman and 2 marines.....	3
By request of relatives, 1 late first-class boy.....	1
By death, 2 landsmen, 2 beneficiaries.....	4
Total	10
Leaving in the institution on the 30th September, 1870, 3 officers, 6 seamen, 1 extra seaman, 4 landsmen, 1 coal-heaver, 1 first-class boy, 1 late first-class boy, 6 marines, 2 beneficiaries, and 1 late seaman; total.....	26

NAVAL HOSPITAL FUND.

The condition of this fund is represented as follows :	
Balance on hand October 1, 1869.....	\$428, 825 25
Transferred to the fund by the Fourth Auditor in settlement of accounts, &c., from October 1, 1869, to October 1, 1870.....	61, 695 15
Transferred to the fund on account of supplies from the Naval Laboratory to vessels and navy yards, from October 1, 1869, to October 1, 1870.....	39, 278 34
Total.....	529, 798 74
Deduct amount, expended from October 1, 1869 to October 1, 1870.....	262, 775 92
Balance on hand October 1, 1870.....	267, 022 82

NAVAL HOSPITALS.

Portsmouth, New Hampshire.—The sick quarters at this place continue to answer the wants of the sick on this station.

Chelsea, Massachusetts.—During the year nothing beyond the necessary current repairs has been done to this hospital.

For the necessary repairs of all kinds for the fiscal year ending June 30, 1872, there will be required \$4,600.

New York.—During the year the exterior of this establishment has been thoroughly painted; the portico and balcony of small-pox hospital and walls of coal-house have been repaired, and a suitable inclosure, consisting of a granite base and iron railing, has been erected around the cemetery grounds.

For the necessary repairs of all kinds to this hospital and its appurtenances there will be required \$2,500.

Philadelphia, Pennsylvania.—In addition to the current repairs a portion of the walls and floors of this hospital has been repaired and painted.

For the necessary repairs of all kinds there will be required \$3,500.

Annapolis, Maryland.—For furnishing this hospital, when completed, and for grading, fencing, &c., there will be required \$10,000.

Washington, District of Columbia.—During the year a new floor has been laid in the dining hall and pantry, and the porches and roof of main building of this hospital have been repainted, and the fence surrounding the hospital has been thoroughly repaired.

There will be required for repairs of all kinds during the fiscal year ending June 30, 1872, \$2,000.

Norfolk, Virginia.—There will be required for the necessary repairs to this hospital and its appurtenances during the next fiscal year, \$3,600.

Pensacola, Florida.—For keeping in repair the temporary buildings used for hospital purposes on this station there will be required \$1,000.

Mare Island, California.—For laying off and grading the grounds attached to this hospital, there will be required \$10,300.

NAVAL LABORATORY, NEW YORK.

For the current repairs to this establishment and its appurtenances, and for the purchase and repair of machinery, apparatus, instruments, &c., there will be needed \$2,500.

The difficulty in officering the naval medical corps, to which I had the honor of referring in the last annual report of the Bureau, still continues. There are now forty-nine vacancies. The character of the applications for admission being such that only thirteen have been found fit to pass the very moderate examination of the naval examining board; and, unhappily, the necessities of the service have compelled the lowering of that standard in cases of temporary appointments.

The scope of examination comprises only a fair academic and the essential branches of a medical education, anatomy, physiology, principles and practice of surgery, principles and practice of medicine, materia medica, chemistry, and medical jurisprudence.

Many of the failures arise from glaring defects of primary education. The great want of professional knowledge may be attributed to popular ignorance as to what the scope of a medical education really is, that ignorance being fostered and pandered to by loose and irresponsible medical schools.

The report of the committee upon medical education, made to the American Medical Association in 1860 and 1865, says:

Now very few, indeed, of the attendants in our medical colleges have received more than a mere English education, such as that which the ordinary school of the district communicates. In such not only are the rudiments of Latin not taught, but the really more useful branches of logic and intellectual philosophy are completely ignored. Hence, not only has the youth not acquired the elements of thought and reflection, but, what is more to be regretted, he has not learned how to think.

The examinations of our military medical boards during the war have brought out this deficiency into very prominent light. Nothing is more common in written examinations of candidates, than to meet with glaring transgressions of orthography and syntax, of sentences incomplete, evincing ideas not only expressed in barbarous English and at defiance with all rules of grammar, but even the ideas themselves are so vague and confused as to have little meaning and less point.

The periodical examinations by the Army and Navy boards of graduates fresh from nearly all the colleges, whose broad seal and the sign manual of whose professors they

bring upon their diplomas, demonstrate incontestibly that few, very few of the candidates, less than fifty per cent., are adjudged worthy and well qualified to enter the medical staff, and be intrusted with the care of the health and lives of the soldiers and sailors enlisted in the public service. We learn from the reply of the Acting Surgeon General at the time, to the first committee on medical education, that "the most striking causes of failure on the part of the candidates are insufficient preparatory education; a hurried course of professional pupilage; want of proficiency in practical anatomy, in pathology, and in clinical medicine."

Nothing daunted, the rejected graduates of the colleges forthwith introduce themselves into practice all over the land, without any other or better qualifications than those which this able and independent board of examiners had declared to be insufficient for the Army and Navy.

In addition to the professional branches required for admission into the United States Navy, botany is considered essential for admission, as a medical officer, into that of Great Britain, and also the candidate is required, before examination, to present evidence that he is legally qualified to practice medicine and surgery under the regulations of an act of Parliament; that subsequently to the age of eighteen he has actually attended a recognized hospital for eighteen months, in which the average number of patients is not less than one hundred; that he has been engaged in actual dissection for twelve months, and that he has performed the principal, capital, and minor operations on the dead body, under a qualified teacher.

Were these requirements made by the United States Navy, the probability is that, under present circumstances, there would be no successful applicant for admission, and it is a subject of national humiliation that we are compelled to accept a lower standard than that of the British navy, especially when it needs only reasonable and just inducements to enable us to bring our standard to the highest point, and officer the medical corps creditably.

The absolute necessity for the official use of medical knowledge is found in all organizations, voluntary, commercial, financial, municipal, and State, in the regulations of insurance, police, sanitary, and quarantine interests; and especially is this knowledge requisite in military and naval institutions, for which qualifications are required not needed in civil professional life.

The field of observation brought under the eye of the naval medical officer, even in the ordinary routine of duty, has a variety and scope extended over the surface of the earth, and he should be one of scientific attainments, fitting him to profit by so large and valuable an opportunity, and also be competent to give both his professional and scientific aid to those national expeditions of explorations, such as the Government is now sending to the Isthmus of Tehauntepec. To put into so wide a field labor incompetent to cultivate it, is an extravagant waste of even the small inducements now offered to enter it. If the naval service has any use for medical knowledge, it should be the best attainable, and to fill the corps by lowering the standard to the level of cheap and humble attainments is an extravagant and fatal policy.

The art of dentistry is one requiring, in addition to general scientific knowledge, a mechanical skill and dexterity only to be acquired by constant practice and undivided attention; hence it, as is well known, has become a specialty almost outside of the profession of medicine. Considering the great suffering and the irrecoverable injuries which arise from neglect of, or badly treated teeth, especially during the ages embraced by the period of pupilage at the Naval Academy injury, often diminishing future usefulness and efficiency, it is respectfully suggested that an experienced and skillful dentist be added to the permanent officers of that institution.

NAVAL HOSPITAL SYSTEM.

As a measure of admissible economy, I would respectfully recommend an inquiry into the propriety of condensing our naval hospital system. At present we have on the Atlantic seaboard, from Portsmouth, New Hampshire, to Pensacola, Florida, eight hospitals, with aggregate accommodations for 1,300 patients. During the war the largest occupation of these permanent hospitals amounted to 1,022 patients, more than half this number being in the hospitals at Norfolk and New York. The same permanent force has to be retained at the five large hospitals, whether the patients are few or many, the dispensary, store-rooms, kitchen, laundry, engine-room, wards, and grounds requiring constantly their appropriate attendants. If properly placed geographically, it may be found that the number of these buildings may be diminished, meeting the increased number of patients in each by an appropriate supply of medical officers. Whatever may be the result of such an inquiry, the expediency of changing the location of the hospitals at Philadelphia, Pennsylvania, and Brooklyn, New York, is very apparent. Pressed upon by the growth of the cities in which they are situated, the isolation which is desirable for such establishments has been lost, and their sites have become of great value. The sale of these lands would justify the erection of proper hospital accommodations at points easily accessible by water, and presenting the moral and sanitary advantages of being removed from immediate proximity to cities.

NAVAL PENSIONS.

The present condition of the pension laws, is such as to hold the vague promise of a hope of such relief to the families of those who die in the naval service, while virtually, under the ruling of the Commissioner of Pensions, and the wording of the law, a pension is an impossible provision, except in a few accidental cases. It is one of the incidents of this Bureau to receive the appeals of widows and orphans, in the confident expectation that their claim to pension will be admitted under the evidence that he upon whom they depended died as the result of injuries received in the line of duty. Such has been the sufficient evidence in the past. But now, this Bureau has the painful duty of informing the applicants that the law, or its construction, refuses them the pension pittance, and there are cases now known to this Bureau in which families are in a state of starvation whose heads died eminently in the line of duty.

Under the following section relative to naval pensions, the Commissioner looks upon it as his duty to refuse pensions to all whose names are not borne on the books of a ship:

That no person shall be entitled to a pension by reason of wounds received, or disease contracted, in the service of the United States, subsequently to the passage of this act, unless the person who was wounded or contracted disease was in the line of duty; and, if in the military service, was at the time actually in the field, or on the march, or at some post, fort, or garrison; or if in the naval service, was at the time borne on the books of some ship, or other vessel of the United States, at sea, or in harbor, actually in commission, or was on his way, by direction of competent authority, to the United States, or to some other vessel or naval station. (Sec. 2, act approved July 27, 1865.)

As the wording of this section is at variance with its spirit, the presumption is that it is an accidental error. For it seems an inconsistency to give a pension for a death resulting from injuries received while under orders to a station, and to deny it to a death caused by disease or injury while in the performance of duty at a station.

Whatever changes or reforms may be made in the pension laws, it is respectfully suggested that the law should accurately define what entitles to a pension without leaving the decision to any individual; otherwise pensions may be arbitrarily assigned, under various influences from those of the broad and liberal principles of the late Attorney General Richard Rush, as set forth in the following words:

Such are the changes and uncertainties of the military life, such oftentimes its trials, as well as its hazards, that the seeds of disease, which finally prostrate the constitution, may have been hidden as they were sown, and thus be in danger of not being recognized as first causes of disability in a meritorious claim put forth for the bounty of the act. It would not, I think, be going too far to say, that in every case where an officer or private loses his health while in the service, to such a degree as to be disabled from performing his duty any more, he is contemplated, *prima facie*, as an object of this charitable relief from the legislature. I feel more doubtful in fixing, by any undeviating standard, what is meant by being in the line of his duty. Upon this point, I should presume, however, that every officer in full commission, and not on furlough, must be considered in the line of his duty, although, at the moment, no particular or active employment is devolved upon him. The same of a soldier who is kept in pay, for it is presupposed of both the one and the other that they are at all times prepared for duty; and it is surely of indispensable obligation upon them to keep themselves detached from other pursuits, so as to be ready at a moment to answer any call emanating from those who may be authorized to command them. The officer who, by reason of marches in damp or cold weather, or who, from being in a garrison exposed to marshy exhalations, finds, even at some interval, his constitution broken down by rheumatism, or enfeebled by the constant recurrence of fevers, is surely as just an object of this humane stipend at the hands of the Government as he who may have had his arm shattered by a bullet.

Those who do not sympathize in the above liberal views may sometimes overlook the well-established claims of justice and humanity.

Very respectfully, your obedient servant,

WM. M. WOOD,
Chief of Bureau.

Hon. GEORGE M. ROBESON,
Secretary of the Navy.

No. 9.

BUREAU OF PROVISIONS AND CLOTHING.

BUREAU OF PROVISIONS AND CLOTHING,
October 25, 1870.

SIR: I have the honor to submit, in accordance with instructions, estimates marked A, B, C, D, E, and F, schedules marked G and H, and statement marked I, for the fiscal year ending June 30, 1872.

I am also under the necessity of submitting additional estimates marked K and L, for provisions and for clothing for the fiscal year ending June 30, 1871.

In the estimates for the year ending June 30, 1871, for provisions, the sum of \$1,000,000, which it was estimated would remain unexpended on the 1st July, 1870, and applicable to the year 1871, was deducted from the amount required for provisions for that year, and no estimate was made for clothing, as the balance which it was estimated would remain unexpended under that appropriation would be sufficient for the fiscal year ending June 30, 1871; and this would have been the case but for the act of Congress approved July 12, 1870. This act (section 5) provides "that all balances of appropriations contained in the annual appropriation bills and made specifically for the service of any fiscal year,

and remaining unexpended at the expiration of such fiscal year, shall only be applied to the payment of expenses properly incurred during that year," &c. As this act deprives the Bureau of the use of these balances, it becomes necessary to submit the additional estimates.

I deem it my duty to renew the recommendation for supplying sailors with an outfit of clothing, free of cost to them, on their enlistment in the Navy.

I beg leave, also, to renew the suggestion contained in my report of last year, that the ration of coffee, when issued in the unroasted berry, be one and one-fourth ounces per day.

I am, very respectfully, your obedient servant,

EDWARD T. DUNN,
Chief of Bureau.

HON. GEORGE M. ROBESON,
Secretary of the Navy.

No. 10.

BUREAU OF STEAM ENGINEERING.

NAVY DEPARTMENT,
Bureau of Steam Engineering, October 24, 1870.

SIR: In obedience to your order of the 11th instant, I have the honor to submit the annual statement of the operations of this Bureau, together with the estimates for maintaining the steam machinery of the vessels of the Navy afloat; and for the preservation, repair, and refitting of those needed for service; also, for the civil establishment in the navy yards, and for materials and stores.

These estimates are the lowest for which the necessary operations of the Bureau can be performed, just sufficient to maintain the steam machinery in repair according to the present strength of the fleets. They do not include any provision for the repair of vessels not expected to be put in commission, for placing the machinery in the ten vessels on the stocks, or for extraordinary contingencies.

An inspection of the accompanying list will show the number and names of vessels having their machinery under repairs, awaiting repairs, and those to have the machinery erected in them. It will be observed that these vessels constitute a considerable portion of the effective force of the Navy.

It is submitted that in their present condition they are entirely useless, and that there should be as little delay as possible in fitting them for any emergency. If it be decided to do so, an additional appropriation of \$450,000 above the estimate submitted will be required.

List of vessels under repairs, awaiting repairs, awaiting machinery, and on the stocks.

UNDER REPAIRS.

Screw steamers.—Minnesota, (1st rate;) California, (2d rate;) Pensacola, (2d rate;) Canandaigua, (3d rate;) Iroquois, (3d rate;) Lackawanna, (3d rate;) Ticonderoga, (3d rate;) Wachusett, (3d rate;) Wyoming, (3d rate;) Shawmut, (4th rate.)

Paddle-wheel steamers.—Powhatan, (2d rate;) Saginaw, (4th rate.)

Iron-clad.—Miantonomah, (3d rate.)

AWAITING REPAIRS.

Screw steamers.—Wabash, (1st rate;) Albany, (2d rate;) Florida, (2d rate;) Hartford, (2d rate;) Iowa, (2d rate;) Niagara, (2d rate;) Kearsarge, (3d rate.)

Paddle-wheel steamer.—Gettysburg, (4th rate.)

Iron-clads.—Roanoke, (2d rate;) Camanche, (4th rate;) Catskill, (4th rate;) Jason, (4th rate;) Lehigh, (4th rate;) Montauk, (4th rate;) Nahant, (4th rate;) Nantucket, (4th rate;) Passaic, (4th rate.)

AWAITING MACHINERY.

Screw steamers.—Monongahela, (3d rate;) Omaha, (3d rate;) Dacotah, (4th rate;) Quinnebang, (4th rate.)

Paddle-wheel steamer.—Susquehanna, (2d rate.)

Iron-clad.—Puritan, (3d rate.)

ON THE STOCKS.

Screw steamers.—Antietam, (2d rate;) Connecticut, (2d rate;) Illinois, (2d rate;) Java, (2d rate;) New York, (2d rate;) Pennsylvania, (2d rate.)

Iron-clads.—Colossus, (2d rate;) Massachusetts, (2d rate;) Nebraska, (2d rate;) Oregon, (2d rate.)

Since my last annual report, the repairs, alterations, &c., to the machinery of the following-named vessels have been completed, viz:

1st rate.—Colorado.

2d rates.—Brooklyn; Congress; Guerrière; Saranac; Tennessee; Worcester.

3d rates.—Alaska; Benicia; Ossipee; Plymouth, Shenandoah.

4th rates.—Kansas; Nantasket; Narragansett; Nipsic; Saco; Swatara; Tallapoosa; Yantic.

Iron-clads.—3d rate, Terror; 4th rates, Ajax, Manhattan, Wyandotte.

The machinery has been removed from the Pawnee, Galeua, Penobscot, and Susquehanna; and is being removed from the Dacotah, Quinnebang, and Monongahela. The first three named vessels have been condemned; but the Susquehanna, a side-wheel steamer, is, by order of the Department, to be converted into a screw steamer, and it is proposed to substitute a pair of the 60 by 36 inch engines, now in store—with their accompanying boilers—for the machinery removed. The machinery of the Quinnebang consisted of two pair of engines driving twin screws, and was constructed by Messrs. Jackson and Watkins, of London, England; the maximum speed of the vessel being about 7 knots per hour. This machinery will be replaced by one pair of engines 36 inches in diameter of cylinder by 48 inches stroke of piston, constructed at the Washington navy yard for a vessel not yet built. Neither the engines nor the boilers selected to replace those removed are such as would be designed for the vessel; the boilers have been selected from the large number stored in the yards; the Bureau being under the necessity of making available the materials on hand.

The engines known as the "60 by 36 inch," constructed for the five screw sloops on the stocks, are stored in the navy yards; so, also, is the machinery constructed for the four iron-clads on the stocks. Some of the boilers built to accompany these several sets of machinery have been used for other vessels requiring new boilers wherever they could be put in to advantage; and it is proposed to use those which remain for other vessels that may have their boilers condemned. The engines delivered in an unfinished condition by contractors can only be adapted to the same uses as old material, and it is proposed to make it available as such.

By order of the Department nearly all vessels prepared for sea, and having four-bladed screw propellers, have had them removed and two-bladed screws fitted in their stead with the view of increasing the efficiency of the vessels under sail. The results obtained from trial trips in smooth water, thus far, show that neither has an appreciable advantage in speed or economy over the other, but the vibration at the stern

of the vessel is considerably greater with the two-bladed than with the four-bladed screws; while in heavy weather the four-bladed screw has a decided advantage due to its greater propelling area.

The foundry building in the Mare Island navy yard, completed some time ago, still remains unoccupied for want of funds to purchase machinery and appliances and to equip it therewith. The building measures 332 feet in length by 70 feet in width, is substantially built, and costs about \$150,000. It is greatly needed, but is useless until equipped. An estimate for the purpose is submitted.

The machine-shop building in the Brooklyn navy yard is rapidly advancing toward completion. No new machinery or tools will be required for it, but all the machines and appliances in the old shop will have to be removed, refitted, and arranged in the new building, and the old building converted into an engineers' storehouse, a pressing need at that yard. An estimate is submitted for the purpose.

There are four pairs of unfinished marine engines designed for screw sloops; two pairs of which were ordered in 1864 to be constructed in the Charlestown navy yard, and two pairs in the Brooklyn navy yard. There is also one pair of engines of smaller dimensions in the yard at Kittery, Maine. The former are of the type employed in the Alaska, Benicia, and Plymouth, and have 50 by 42 inch cylinders; the latter is from the drawings from which the machinery in the Nantasket was made, and contains 36 by 36 inch cylinders. As these engines are of the classes most likely to be required, and as a large amount has already been expended in their construction, it is recommended that they be completed.

The usual yearly contracts for supplies for the engineer departments of the different navy yards were not made during the present fiscal year. The expenditure has been restricted wherever it was possible; and, with exceptional necessary purchases, the surplus at some yards has been shipped to others where it was needed. But these supplies remaining from previous years will soon become exhausted; and, as it is necessary always to retain a stock of stores and materials on hand, it is proposed to make purchases during the next fiscal year.

The estimates for the year will be found in the accompanying papers marked A and B.

Very respectfully, your obedient servant,

J. W. KING,
Chief of Bureau.

Hon. GEORGE M. ROBESON,
Secretary of the Navy.

No. 11.

MARINE CORPS.

HEADQUARTERS MARINE CORPS,
Washington, October 24, 1870.

SIR: I have the honor to report to the Department that during the past year the marines at the principal naval stations have been inspected at different periods by the adjutant and inspector of the corps, and by myself, and on both occasions were found in a high state of efficiency and discipline, and their quarters, with the public property under their charge, in most admirable order.

From the commanding officers of the several marine stations, as well as those commanding guards on board of vessels in commission, I have received assurances that the various duties assigned them have been performed in a very satisfactory manner to the naval officers in command; and that the men of their respective commands were kept in efficient order and discipline.

The troops at the several stations on shore have recently been armed with the breech-loading rifled musket, which has greatly increased their efficiency as a military body, and left nothing to be desired in their equipment or organization.

There has been no change worthy of mention in the duties or distribution of the corps since my last report.

From the "general return" herewith transmitted, it will be seen that about one-half of the enlisted men are on board ship, and the remainder distributed at ten stations on shore, so as to best meet the requirements of the service.

I feel it my duty to again call the attention of the Department to the inadequate number of men at the principal naval stations at the north. The great extent of the several yards, and their immense amount of public property to be guarded, require a larger number of sentinels than it is possible to furnish with the limited number of men now in service. This deficiency in the number of men necessitates the employment of a large number of irresponsible watchmen at all the navy yards, at a very heavy increase of expense, without any corresponding benefit to the Government. It would seem to me to be a matter of great economy to dispense with a large portion of these watchmen, and employ marines at a much less compensation, and who could perform the duties of watchmen as well as the civilians; while as soldiers they would be always in readiness for the performance of any duty requiring the services of well-disciplined troops.

The act of 25th July, 1861, now in force, authorizes the employment of 2,500 privates, but under the late administration the Department directed the number to be reduced to 2,000. To increase the corps to its legal strength by the enlistment of this additional 500 privates I think highly desirable at this time, as I would then be enabled to keep two full companies of effective men at each of the principal stations, where their services are so much in demand, and where, if occasion should require, as it did during the present year, they could aid the civil authorities in preserving the peace, and enforcing the laws. The number of marines at the navy yard, Mare Island, California, should also be increased, so as to enable that station to supply all details for guards of vessels in the Pacific squadrons. There are most excellent barracks at this yard, built with a view to accommodate a large number of men for this purpose, and I think it very desirable to enlist a sufficient number of men in the Pacific States to meet all requirements of that station; thus saving the heavy cost of transportation to and from the Atlantic border.

I would also respectfully renew my recommendation to rebuild the barracks destroyed during the late rebellion at the navy yards at Pensacola and Norfolk. These important naval stations of the South are being gradually restored to their former condition, and I regard it as highly important that barracks to accommodate four or five hundred men should be erected at the Norfolk yard, at as early a day as practicable; and I trust the department may not deem it inconsistent with its views to recommend an appropriation for this object at the coming session of Congress.

By the act approved July 15, 1870, the allowance of five cents per day hitherto granted to all persons in the Navy, in lieu of the spirit ration, has been abolished. The President of the United States, by special order, restored this compensation to the enlisted men of the Navy, by adding the sum to their monthly pay. The pay of marines, however, being established by law, could not be increased by this order, and thus they are the only class on board ship whose compensation has been reduced by the act referred to. They feel this discrimination very sensibly, and naturally regard themselves as much entitled to this gratuity as their brethren of the Navy proper. I mention this subject with the hope the department may recommend some measure to place them on an equality, so far as this small allowance is concerned.

I am, very respectfully, your obedient servant,

J. ZEILIN,

Brigadier General and Commandant.

Hon. GEORGE M. ROBESON,

Secretary of the Navy.

No. 12.

REPORT OF ADMIRAL PORTER TO THE SECRETARY OF THE NAVY ON PROFESSIONAL MATTERS.

WASHINGTON, D. C., *November 10, 1870.*

SIR: In accordance with Article 3d, Naval Regulations, I have the honor to lay before you a report of the present condition of the Navy, and to offer such professional suggestions as may further "promote its discipline and efficiency."

I regret to say that many of the recommendations made in your annual report remain without action on the part of Congress, and it is difficult to make further suggestions until those already submitted are disposed of.

Since the 1th of March, 1869, great efforts have been made to put in commission a sufficient number of vessels to protect our commerce, to act as dispatch vessels, and to perform the duty of surveying the Isthmus of Darien and Tehuantepec in conformity with the acts of Congress, and up to the present time there are forty-five suitable vessels on the different stations in good condition, and, as far as can be learned, in admirable discipline.

From my constant communication with the officers commanding squadrons and ships, I cannot learn that there is anything to complain of in the fitting and arrangement of the vessels, and those on board of them are enjoying a degree of comfort not exceeded in the vessels of foreign powers. The crews of our ships of war seem to be well contented with the various orders issued for their happiness and comfort, and this is evidenced by their greater attention to duty, and by a diminution of offenses necessitating trial by court-martial.

The system of rewards lately established for the benefit of the petty officers, seamen, and marines, will go far toward introducing into the naval service the best class of men, and if continued and enlarged, will in the end permanently attach to the Navy the best seamen that sail out of American ports.

There still remains a great deal to be done to ameliorate the condition of seamen in our Navy. They should be granted an increase in their

pay and a slight addition to their ration, and should be provided with an outfit of clothing equal to that provided for the soldiers of the United States Army, and for the marines. There would then be little left for a seaman to complain of. Now, he considers that it is great injustice to deny him a proper outfit for the cruise, when members of another branch of the service, on board the same vessel and drawing equal pay, are furnished with a yearly allowance of comfortable clothing. Such an allowance to seamen would do away with a greater part of the desertion in the Navy, since most of the cases of this kind grow out of the indebtedness of seamen on first entering the service. Those who possess the faculty of calculation soon discover that they will be in debt to the Government for at least two-thirds of the cruise, and consequently deprived of the benefit of all the regulations made for good-conduct men, since no paymaster, under the law, can advance any money to a man in debt. This state of things operates to confine them to the ship for the greater part of the cruise. It would add greatly to the efficiency of a ship of war if the men could start on the cruise out of debt. It would enable the commanding officer at the outset to withdraw many of the restrictions which make the life of a sailor so irksome. It would prevent many of those unpleasant scenes, which occur when commanders have to apply to the civil authorities to arrest deserters, who are often brought on board drunk and in irons, after receiving harsh treatment from the police, who, knowing little of the peculiarities of these sons of the ocean, often mistake for insubordination what would be overlooked by an officer of the Navy. Our Navy is small, and the country can well afford to make this trifling addition to the comfort of its seamen. Several efforts have been made to have this outfit of clothing allowed, and I think they have failed because the subject was not fully explained to Congress, or not brought before them in a manner to attract their particular attention. Many less important measures have been passed without comment, and I am confident that our national legislators only require to know the wants of our seamen to have them supplied. The life of a sailor is a hard one, hard beyond the conception of any one not familiar with the sea, whose only idea of a sailor is a rollicking fellow, who makes lots of money on shipboard, and pours it out like water when he goes on shore; who sails most of his time under smiling skies and encounters a gale of wind now and then, merely by way of pastime. I am of opinion that the Department might authorize an allowance of clothing to seamen without any legislation on the part of Congress, as the President is authorized by law to regulate their pay and emoluments. It should be remembered that seamen are exposed in all weathers, which destroys their clothing very rapidly, to say nothing of the deteriorating influence of the salt air. They are required to dress with the greatest nicety, and are liable at any moment to be placed in a position where their best suit may be rendered totally unfit for service. In cases of epidemics seamen are frequently called upon to destroy all they have been collecting out of their earnings for months, and seldom or never receive an equivalent therefor.

When our men come in contact with British or French vessels of war they find the sailors fitted out by government, or, if the latter are obliged to purchase articles of any kind, they are furnished at one-third of the cost our seamen have to pay. The result is, that the crews of our ships of war do not always present that uniformly neat and comfortable appearance to be met with in foreign navies, a mortifying circumstance to commanding officers, who are, however, powerless to remedy the defect. The seamen keenly feel this neglect on the part of our Government, and.

while admitting the various benefits conferred on them from time to time, cannot see the justice of withholding from them a proper allowance of clothing, an opinion which is shared by the officers of the Navy generally. Although improvements have been made in the system of shipping seamen, and the business has been partly taken out of the hands of rapacious landlords, there is still something wanting to perfect the arrangement. There should be a good shipping-master appointed at each of our naval stations, whose business it should be to procure men for the Navy. We would experience difficulty now in obtaining men on a sudden emergency, which might result in serious inconvenience.

In this connection I beg leave to draw your attention to a matter wherein great injustice is done to our seamen, and a law of Congress, made for their benefit, becomes in some cases a nullity. The law provides that when seamen, ordinary seamen, &c., having received honorable discharges, shall present themselves to a shipping officer, within three months of the date of discharge, they shall be reshipped and credited with three months' pay. By the late law limiting the number of men in the service to 8,500, it often happens that a seaman whose conduct has been irreproachable, and who, for particular excellence, has received a "good-conduct discharge," is refused at the rendezvous on the ground that the number allowed by law is filled. The result is that the seaman turns away disappointed because faith has not been kept with him, and determines to enlist no more in a service which holds out rewards that are not paid. This happened in many instances during the past year, and is liable to occur again. I consider that it is within the power of the honorable Secretary of the Navy to remedy what appears to be a defect in the law regulating enlistments. If the government is not in a position to employ the seaman, the latter having performed his part of the agreement and presented himself at the rendezvous, should be entitled to receive his three months' pay. A still simpler way would be to give an order to ship all honorably discharged men presenting themselves at a naval rendezvous, since they are so few in number compared with all the others in the service, that their enlistment would seldom cause an excess in the regular allowance. We cannot do too much to attach good seamen to the naval service; and all the rewards now allowed them are insufficient to compensate them for their years of hardship and devotion to their country's flag. It is a notable fact that when the late rebellion broke out not a single seaman deserted the flag, and many of them distinguished themselves by acts of heroism that deserve to be forever remembered.

Since the year 1846 the quality of our seamen has fallen off as well as the quantity, and our ships have occasionally been provided with a larger proportion than formerly of ordinary seamen and landsmen. This is a condition of affairs which will have to be guarded against in the future, and improvements on our present system must be made if we do not wish our ships manned by inferior men.

Up to the year 1846 we possessed, for the limited number of ships in our Navy, the finest body of seamen in the world. At about that period steam was introduced, but merely as an auxiliary, and the ships continued with full-sail power. Even at the first introduction of steam power into the navy a deterioration in the crews of ships could be perceived, owing, in a great measure, to the seamen being employed in coal-ing ship and hoisting out ashes, to the exclusion of their more agreeable and legitimate duties.

All foreign navies have adhered to the system of full-sail power in

their ships, using steam only as necessity required, thus maintaining economy and guarding against a deterioration in seamanship; while we, from year to year, discarding our sails, have increased our steam power even while introducing the trice-up propeller. Thus, we have enormously enlarged the expenses of our vessels, so that during the war of the rebellion our expenditure for coal was at least \$18,000,000. This sum does not include the increase of expenses for engineers, firemen, and coal-heavers, and wear and tear of engines, which last item is beyond computation. Our ships from time to time fell off in sail power until, with the exception of the old-fashioned steam-frigates, they had not more than sufficient canvas left to lay to under. In some of our largest vessels the masts were placed without regard to the center of effort; and the necessity of so regulating the power that the vessels would be perfect machines under sail was ignored. Sail, in fact, became auxiliary, our seamen were transformed into firemen and coal-heavers, our officers had little to do but walk the deck, while the vessel was under way, and attend to the routine of a man-of-war. Such a state of affairs was most injurious to officers and men, for while other nations held on to their seamanship we lost sight of ours to such a degree that we have had almost to commence anew, and instruct the men as if we had been adopting an entirely novel system.

Since 1869 we have equipped, with full-sail power, twenty-six ships, besides those already existing, and at present have no other than full-rigged ships in active service, with the exception of four or five iron-clads and a few side-wheel steamers, used as dispatch boats and surveying vessels.

A system of exercises has been devised and put in operation, and monthly reports of the same directed to be made to the Department. In many instances these reports are highly creditable to the ships wherein the exercises have been conducted, and go to prove the necessity of this kind of practice on a more extended scale than at present. It has improved the discipline and creates a spirit of emulation which has not existed in the service for some years, and it has shown to both officers and men that no sea-going vessel of war can be a perfect machine unless she is rigged with full-sail power and managed in the most seaman-like manner.

During the war of 1812 it was our seamanship and gunnery that gave us so decided an advantage over our clever antagonists, who have never forgotten the lesson, and from that time to the present have spared no pains or expense to improve their officers and men in these particulars. Their navy, supervised by a united board of professional men, who guard against the admission of doubtful or unwise experiments, and who take every opportunity to keep up the naval prestige, must, in many ways, have an advantage over our own; but with the zeal that animates our officers and men, the rigid inspections and exercises that are now, or will be, established, and by availing ourselves of the experience gained by our commanding officers abroad, we can still hold our own with foreign navies, as regards the discipline of our ships.

From personal observation I can assure you that there is now great economy in the sailing of our vessels of war compared with what there was before the ships were fitted with full-sail power. Comparatively little coal is now consumed, the engines and boilers are not worn out from constant use, the hulls of the ships are not heated and the wood thereby destroyed, and there is a reduction of four-fifths in the expenses of the engine-room and coal-bunkers.

In addition to the measures already taken to restore the former stand-

ard of seamanship in the navy, I would strongly recommend the formation of a *practice squadron*, to be employed on our coast, which will serve the two-fold purpose of a school for officers and men, and, at the same time, afford assistance to our mercantile marine during the inclement season. We have now eight sailing ships that will suit admirably for this purpose; viz., The frigate-built Sabine, Savannah, Macedonian, Constellation, and Constitution, and the sloops-of-war Dale, Portsmouth, and Saratoga. All these, with the exception of the Constitution, are nearly ready for service, and she can be prepared with very little expense. She is now at the Naval Academy, but is no longer needed as a school-ship, the midshipmen having been accommodated in barracks on shore. The place of the sailing vessels heretofore used as practice ships for the midshipmen can be supplied by the Tennessee, which vessel is well adapted for a school-ship, having a fair combination of sail and steam. She is of the "Wampanoag" class, and has been altered with the hope of making her a serviceable vessel. She has a direct-acting engine, has had an additional deck put upon her, to afford accommodations for her officers and crew, and has been rigged as a full-sail power ship. It still remains to be seen whether the alterations will accomplish what is expected, and if the Tennessee proves to be all that is hoped, she will be admirably adapted for a school-ship.

The water in the harbor of Annapolis seems, of late years, to be somewhat shoaler, so much so that the frigates have some difficulty in getting in and out, and those at the dock are most of the time lying aground, which must be more or less injurious to them. The Tennessee, drawing less water, can get in and out without difficulty, and having so much room on board can easily accommodate two hundred and twenty midshipmen, as many as will be likely to be sent to sea at one time.

With a practice squadron composed of the ships I have mentioned, under an energetic commander, we should be bringing up a fine class of seamen for the Navy, officers and men, and afford the finest naval school in the world for boys. These latter should be taken into the service, not with the idea that they are to become officers, but to be instructed as seamen and petty officers, giving those a chance who have the ability to reach the highest positions. This squadron, ready at a moment's notice to obey the orders of the Department, could be relied upon to go to any point where its services might be desired, or to protect our coast in case of trouble from abroad.

I have lately seen the necessity of being provided with ships at home as well as abroad. On several occasions we have required vessels to be in readiness at short notice, to enforce our neutrality laws, and have been obliged to depend on tugs and small steamers. These could have exercised no influence against vessels of heavier metal, had the latter been disposed to resist the orders of the Government. Such a temporary squadron as I have indicated could also be called upon to supply ships fitting out for foreign stations with well-drilled seamen and seamen gunners, so that when a vessel of war does sail from our shores she will not be manned by a raw crew throughout. There are, in fact, a thousand advantages that present themselves in such a squadron as the one proposed. It would be like the practice fleets of England and France on a small scale, and would serve to perfect our officers and men until we can build some sea-going iron-clads, which must sooner or later be done.

The people of this country will not be content to see all other nations advancing with their iron-clad vessels while we remain just where the war of the rebellion left us. At that period we had some formidable

monitors, admirably adapted for coast and harbor defense, and these, if repaired with good timber, will still last for some years. The best of these vessels have been kept in a fair state of repair as far as the limited appropriations will allow, but they are not desirable as cruisers. There is a certain amount of comfort required on board a ship of war that has to be absent from the United States for three years, and this the monitors do not possess. They have no sail power, and when they go to sea for any distance have to be accompanied by two or three vessels to take them in tow. We have used them in the West Indies for the want of other more suitable vessels, and, so far, they have proved themselves safe. The general opinion in the Navy in regard to these vessels, derived from repeated tests, (and in which I share,) is that the principle upon which they are built can be carried out in the construction of sea-going vessels. Indeed, I have no doubt that the monitor principle is the most formidable one that can be applied to the construction of a fighting ship, an idea that seems to be accepted abroad as well as with us.

Since I have been connected with the Department, various plans for sea-going iron-clads have been discussed, but we have always recurred to the monitor principle as the one combining the most advantages. Of course the system will have to be modified to suit the open sea, and the vessels so planned as to be able to go under sail as well as under steam. It would be very unwise to convert any of the iron-clad turret ships now under construction into sea-going vessels, as they are unsuitable for such a purpose, and should be kept for coast and harbor defense. We have few enough of them for this purpose, for, in the event of a war, there are many points of great importance on our extensive coast to be defended.

To return to the subject of the coast squadron. I would say that the importance of our officers becoming familiarized with our own coast can not be over-estimated, and yet they know less of it than of foreign shores and harbors, where they seldom take a pilot. On our own coast the reverse is the case, and the officers are entirely at the mercy of the pilots, who are not in all cases expert in their business or worthy of reliance without good charts.

In former days many officers were educated on the Coast Survey, where they necessarily became familiar with our harbors and could take vessels where pilots would not venture without a chart. In time of war knowledge of this kind would be very valuable; indeed, no captain would feel comfortable in command of a ship, without a thorough knowledge of our coast, so as to be independent of pilots. The proposed coast squadron, then, would furnish the information formerly supplied by the Coast Survey, and at the same time be a good school of discipline, which the Coast Survey was not.

In the rearing of seamen Massachusetts has taken the lead of the General Government, and has already two fine ships fitted up for the instruction of boys reclaimed from the streets of her cities, and from her house of correction. The example of this State is worthy of imitation by the National Government. Thousands of fine boys are roaming the streets of New York, whose parents would consider it a great boon to have drilled into seamen on board a naval practice squadron. Unless some such plan is adopted our man-of-war's men will run out. We cannot, as of yore, depend upon our mercantile marine for seamen, and in a sudden emergency we should find ourselves placed in a very humiliating position. As an example of the shortness of our crews and the inadequacy of the present allowance to fit out even a fair proportion of

ships, our West India squadron, fitted with all dispatch, when the complement allowed by law was filled up, amounted to but nine vessels, carrying sixty-six guns and about 2,000 men, while the Spanish fleet in Cuban waters amounted to fifty-six vessels, carrying five hundred and sixty heavy guns and 13,000 men—a greater number than we had in our entire Navy. It will easily be seen how little chance we should have to cope with nations possessing such heavy forces, even with all the ships we had in commission, scattered as they are all over the world. No doubt our officers and seamen would do all that men could do under adverse circumstances, but it would be unjust to expect impossibilities from them or permit them to be sacrificed, when, by a wise forethought and preparation, we could maintain our prestige against an ordinary naval power.

The American people are so accustomed to expect success from their Navy, that they would not patiently bear defeat, and might be ungenerous enough to impute to the personnel of the service the failures due to unwise economy and neglect of the warnings of those who have to meet the difficulties when they occur.

While we devote ourselves to the building of iron-clads we should not neglect wooden vessels, with which so much has heretofore been accomplished. I doubt if the annals of history furnish examples of more heroic service than has been performed in the wooden ships of our Navy. These have attacked the heaviest batteries (known in modern warfare) either at anchor or under way, and have had to contend with guns far more destructive than those used at the time these same vessels were launched; yet, in spite of all the disadvantages under which wooden ships labor, there are few instances where they failed to capture the heaviest forts or earthworks. Wooden ships will probably always remain a necessity in naval warfare. They can carry so many more guns than an ordinary iron-clad that their fire is much more rapid and effective against the present style of forts and earthworks than the slow loading and slow firing twenty-ton guns. Combined with the iron-clads, our wooden forty-gun ships would be very formidable.

By close observation of the necessary class of vessels to be used in time of war, professional men of the largest experience have agreed that it is our best policy to go on building fast cruisers with light armament to cut up an enemy's commerce.

In time of peace a class of vessel of from fourteen to sixteen hundred tons is more desirable for foreign service than the unwieldy iron-clads used in foreign navies, and in time of war they are very destructive to an enemy's commerce. Still we should have iron-clads in our squadrons on the coasts of China and Japan, South America and the West Indies.

A nation possessing an extensive commerce will hesitate to attack another which has the means to destroy its mercantile marine. For instance, England would hesitate a long time before she would attack us were our navy provided with a large number of fleet and powerful cruisers that could remain at sea for any length of time under sail, and be able, when occasion requires, to make great speed under steam.

We have not yet recovered from the injury done to our commerce by one or two rebel cruisers, and it can readily be imagined how much damage we could do, even now, to the commerce of such a nation as Great Britain, a commerce extending into every sea and increasing with as great rapidity as our own is disappearing.

Plans have already been prepared for a class of cruisers such as I have alluded to, and the models sent in. I would recommend that a good number of these vessels be built as soon as possible. The expense of

such ships will not be great, as they can be run so much cheaper than the larger vessels now in service. We have very few small vessels worth anything, and we must resort to building to supply the ships necessary to keep up our squadrons abroad.

There are now six ships on the stocks that should be launched and fitted without delay; but these are all large and comparatively expensive vessels, and would do no better service than the class proposed. The latter could be run with half the expense, and with little more than half the number of men—a great desideratum when we are limited to 8,500 seamen, landsmen, and boys. If the ships now on the stocks are not launched, we shall soon be unable to derive any benefit from them, as they are fast going to decay. Should they be left to rot on the stocks, the result would be a loss of several millions of dollars. Some of them are fine vessels, and it would be a misfortune to see them thrown away. I am much pleased with the model of one of them, the Connecticut, of Boston, and I recommend that the engine now on board the Chattanooga be transferred to her, and that she be fitted for sea. The hull of the Chattanooga has been condemned as entirely unseaworthy, and it is not even considered safe to send her to Boston, as she will not bear caulking; but the Connecticut can be got ready for the engines, and sent to Philadelphia to take them on board, where they can be put up for about \$40,000. With the boilers so arranged as to have but one smokestack, or two at most, and these telescopic, the Connecticut would be a beautiful ship, and a most excellent cruiser.

We are much in need of a larger class of vessel for our flag-ships on every station, there being but two suitable flag-ships afloat, and those now used cannot properly accommodate the staff of the commanders-in-chief. For this reason I recommend that these larger ships be fitted out or kept in condition to be made available at short notice. We have but two vessels, the Wabash and Minnesota, that can be relied on to relieve flag-ships abroad. The times of the latter will soon be out, and the two vessels named are by no means in a forward state of preparation.

I beg leave to call your attention to the fact that owing to the decadence of our commerce, and the decline of steamship building, there is very little emulation among our machinists, and little or no improvement in marine steam-engines. All improvements are made abroad on the Clyde and Mersey, where giant strides are taking place in the construction of machinery for war and merchant ships. Time and economy are so much objects to the British builders that the greatest ingenuity is brought into requisition. An engine is no sooner built and pronounced perfect than another of later improvement is brought forward to supersede it.

Naval engineers have no opportunity to witness anything very new in this country in the line of their profession. When we are called upon to build vessels of all classes, we must necessarily provide plans of engines for them, and I do not think the best engineers are favorable to the plans hitherto adopted in our Navy. The English are now adopting a compound engine, which affords great economy of fuel, high speed, and increase of room, and can be built at much less expense. In merchant steamers there is a saving of more than one-third in coal, which, in a few years, would more than pay for the engine, to say nothing of the amount saved in the extra room afforded for freight. The advantages would be the same proportionately to a man-of-war as to a merchant vessel, and would enable her to stay so many more days at sea.

I would recommend that some of our most intelligent engineers be kept abroad for a time, to collect plans for the engines and boilers of

the four classes of vessels it is proposed to build for the Navy. I am satisfied that their visit to the great workshops of England would be of much use to them professionally, and in the end be a great benefit to the country.

TORPEDO CORPS AND STATION.

In August last I visited the torpedo station, and was much gratified to witness the advances made in this important system of national defense. There is still, however, much to be done to make the torpedo system thoroughly available in time of war. If suitable appropriations are made, we can in a short time place our numerous harbors in a perfect state of defense, rendering them proof against any attack. To enable the officer in charge of the station to perfect the arrangements necessary to place the torpedo system in a condition for service, it will be necessary to very much enlarge the present establishment, which, although well conducted, is not of sufficient magnitude to meet the wants of the country. There should be kept at the station a considerable corps of young officers to perfect themselves in the manipulation of torpedoes, and the management of the instruments used for their explosion. This is done at present in a measure, but no officer should be permitted to leave the station without urgent reasons, until he shall have received from the officer in command a certificate that he is in all respects qualified to take charge of torpedoes and instruments, ashore and afloat. This is absolutely necessary, since all our ships of war and steam launches are fitted to explode torpedoes against an enemy's ship, and it would be useless to place a torpedo on board a vessel unless in the special charge of an experienced officer, held responsible for its care and preservation.

Plans are now being prepared for a torpedo boat to act against an enemy. The model is an ingenious one, and is a combination of forces which, if properly managed, must be very destructive to an opponent's ships. These torpedo boats are intended to be of about two hundred and eighty tons burden, possessing great speed, and armed with one 15-inch gun. Offering but a small surface as a target, they will be quite impervious to shot or shell, and can boldly approach a hostile vessel in open day, either to attack with the 15-inch gun or blow her up, as opportunity offers. We have tried experiments with this invention, and I am satisfied that the principle is a correct one, and can only fail for want of proper mechanical arrangements. The cost of each of these vessels complete will be \$140,000, and being constructed entirely of iron, and exposed to little wear and tear, they will last for many years. Twenty of these boats should at once be constructed. It will take over eighteen months to build them, and they will be used for harbor and coast defense.

For foreign service torpedo boats of one thousand tons burden will be required, with a proportionate increase in cost.

We have converted several large iron tugs of three hundred and fifty tons burden into torpedo boats on the plan mentioned above, and I am satisfied that they will prove very formidable. It is not deemed prudent to publish any description of them, but to follow the example of all other nations engaged in perfecting the torpedo by guarding the secret inventions from disclosure.

The torpedo has now become an established part of the system of warfare with all nations, and because we are somewhat backward in our other preparations it behooves us to be prepared in this. The officers of the Navy are alive to the importance of the system, and several of

them have given their attention to perfecting inventions which will be valuable additions to those we now possess.

It is the opinion of some experienced officers that the introduction of the torpedo in naval warfare will result in an entire change in the system of constructing war vessels; that the huge iron-clads of the British and French navies will be laid up as useless, and that the torpedo vessel will ultimately sweep all other ships of war from the seas. I am not prepared to indorse this view of the subject, yet it is within the limits of possibility, and when a vessel can be built having a speed of fifteen knots under steam, and capable of resisting the heavy shot now fired from ships of war, the problem of a successful torpedo boat will be solved.

Every one who has watched the progress of late events in Europe must have noticed how little has been effected by the powerful French fleet of iron-clads fitted out at so great a cost. Their inactivity may be ascribed in a measure to the dread of the torpedoes which are planted along the German coast. Had the Prussians been provided with suitable torpedo boats scarcely any of the French vessels would have escaped from the North Sea or the Baltic. At the same time, I do not think it advisable to depend altogether on torpedo boats in naval warfare.

Iron-clads will still have their uses in encountering heavy ships at sea or in bombarding forts, so that after all, an effective navy must be a combination of iron-clads, rams, torpedo boats, and wooden or other fast ships. All have their parts to perform in the drama of war, and for the present, at least, we cannot dispense with either. The nation that can best combine all these forces in action will be the mistress of the seas.

NAVY YARDS.

Although you will no doubt receive full reports in relation to the navy yards from the Bureau of Yards and Docks, yet I beg leave to add some opinions of my own, which I trust may be of service.

It has often struck our own officers, and is always a matter of astonishment to foreigners, that, with all our yards, we have so very few docks for taking ships out of the water, and attention was drawn to this subject in your last annual report. Since then, great difficulty has been experienced in rapidly fitting out the few ships we have sent to sea. One dock is a small allowance for a navy yard when a dozen or more vessels are being prepared for sea at once, and if by any accident the dock is rendered useless, a certain portion of the work on all the ships has to be stopped.

The want of docks was severely felt during the rebellion, when vessels were constantly returning to port for repairs which it was not always possible to give them. Thus, they were for the time being rendered useless to the Government, which was sometimes compelled to purchase others to supply their places.

Should we be engaged in a foreign war I should regard this want of docks as a great calamity, and the commander of a fleet acting on our coast and liable to constant conflict with an enemy, would experience great anxiety of mind when his thoughts reverted to the impossibility of having his fleet repaired after an action in time to follow up any advantages gained.

It must be remembered that offensive missiles are ten times more destructive at the present time than they were when our existing dry-docks were built. At that time a 42-pound solid shot was the largest

in use. Now a 600-pounder is part of the general armament of foreign ships of war.

Not many years ago a man-of-war could, when damaged, be "hove down" or "careened" at a dock, by taking out her guns, tanks, and ballast. This can no longer be done, because the operation involves the removal of the machinery and boilers, which, to take out and replace, would cost a hundred thousand dollars or more for each large vessel.

We have, in all, seven dock-yards, which united are not equal to the dock-yard at Cherbourg, which, built on the open ocean and protected by a great sea-wall, makes the finest establishment of the kind in the world.

Our system of numerous dock-yards is, in many respects, a good one, as it enables us to make use of all the skilled mechanics in different parts of the country; and some locations possess advantages that are not shared by others, although on the whole the Government work is about equally well performed at all.

We cannot at present rely upon civil establishments to raise our war ships out of water. Not many of them are able to dock our largest vessels, and they are not often willing to do Government work, as they have so much other employment.

It is remarkable that we have managed so well during the last year in docking our ships. All that have been sent to sea, forty-five in number, have been docked; but it has only been done at great expense and with many vexatious delays.

In California we experienced great drawbacks in this respect. The entire Pacific fleet, consisting of thirteen vessels, required thorough overhauling and repair, and every ship had to lie for months at Mare Island before she could go on the dock, a floating-dock, and the only one belonging to the Government.

Mare Island is destined in time of war to be the most important of our dock yards, and I therefore beg leave to invite your particular attention to it.

It is evident that in the future all of our ships in the Pacific will have to depend upon the Mare Island navy yard for repairs. The passage around Cape Horn, at the end of a three years' cruise, should not be attempted, and it will be found much more economical to fit out vessels for China in California, by which they avoid the long passage around the Cape of Good Hope, via Brazil, or the troublesome and expensive one through the Suez Canal. By the Cape of Good Hope route the passage from New York to Hong Kong cannot be made in less than one hundred and ten days, or by way of the Suez Canal in less than sixty-five days, while the voyage from San Francisco to the same point can be performed in twenty-eight days. This is at once an argument in favor of fitting vessels out at Mare Island for all parts of the Pacific and for the Asiatic coast. The argument holds good also for laying the vessels up there, as they can reach California from the China seas quicker than they can the eastern coast of America, to say nothing of the wear and tear of the longer voyage, and the anxiety of coming on our stormy coast in the winter, which they will escape.

Several of the European powers are making preparations to establish repairing stations in the east, if they have not already done so, while we need not go to such an expense if we provide the facilities for repairing the different vessels at Mare Island.

The steamers of the Pacific Mail Company make the trip from California to Japan in twenty-two days, and vessels of war will not require a much longer time; hence will appear the importance of having a large

and efficient naval establishment at Mare Island, a location that possesses all the natural advantages for such a purpose.

I have no doubt that in a few years we shall be able to build as strong and cheap vessels in California as on the eastern coast, for labor is gradually approximating in price to the same commodity in the Atlantic States.

There are required at Mare Island machine shops, tools, several docks, storehouses, quarters for officers, and war material of all kinds, for the supplying of vessels. It would be a wise economy to make ample appropriations for the above objects at once, for many of the articles required have to be sent around Cape Horn to save freight, while the tools and pieces of machinery, which can be made in San Francisco, require time to get them ready for use. It is important that skilled labor in ships and steam machinery should be encouraged in that quarter, so that the Government can depend on a sufficient number of mechanics in the hour of need.

We have every evidence that the work performed in the California yard is equal to that done in other yards, even with the poor facilities it possesses at present, and it is not likely that the work will deteriorate when the facilities are improved. It may appear to you strange that ships of war are so much longer in fitting at Mare Island than at other naval stations. I can account for this circumstance from the fact that the yard has not been supplied with the requisite tools and machinery possessed by the others, and yet a force amounting to one-fourth of the entire navy in commission has been fitted out there since March 1869.

CLOTHING.

I am satisfied that the system of purchasing ready-made clothing for the Navy is a bad one, and that the seamen are unfairly dealt with. It would be much cheaper and better for the Navy Department to establish at Boston, New York, and Mare Island manufactories of their own for the purpose of making up the seamen's clothing. The material could be purchased by wholesale, and persons employed in the making up by the day or by the piece. Thus every article of clothing would be inspected at the time it was made up, and the whole work being under the supervision of experienced inspecting officers, there would be no opportunity of palming off on the Government materials or workmanship of bad quality. It would prevent much loss to the Government, for at present there is a large quantity of clothing annually condemned by survey, which if made at a Government establishment would never have been rejected. The measure I have proposed is approved by all the officers with whom I have conversed on the subject, and I beg leave to recommend it to your favorable consideration.

SCHOOL-SHIP.

After some years' observation, I am of the opinion that it is not desirable to send the school-ship with the midshipmen on a foreign cruise every year, but that as a general rule they should be kept on our coast, where officers and midshipmen can become familiar with our shores and harbors. In other words, the cruise abroad should be the exception, not the rule. In my opinion the midshipmen could receive more instruction, and be subjected to much less expense and inconvenience, if the above system was pursued, as they become involved in debt on a foreign cruise, and are unable to provide themselves with proper clothing and

books, for which purposes, indeed, their pay is barely adequate. The *Tennessee* could accommodate all the midshipmen at one time, and with the yacht *America* acting as a tender, be used to instruct them in seamanship. These two vessels would form an economical squadron for the Naval Academy.

The number of vessels at the Academy has been gradually decreased since 1865, from six of different classes to two sloops of war, with a proportional decrease in the expenses of the institution. The arrangement proposed will still further lessen the expenses, to say nothing of the reduction in the number of officers and men.

I would propose further that the *Tennessee* be kept at all times in commission, whether cruising with the midshipmen or not; that her officers and men be maintained in the highest state of discipline, and that when not in use for the practice cruise she be stationed at Norfolk as a gunnery ship. She will then be ready for emergencies.

I have seen the disadvantages of having the midshipmen go on board of a ship with a new crew. They should have nothing to do with any ship where they may derive wrong impressions, but should always be practiced in a vessel where every department is in the finest state of discipline, and where the best seamen and most moral men in the service should be collected. This will be an economical arrangement, and will be of great benefit in the instruction of seamen gunners, a class which it is very desirable to establish on board every ship in the navy. At least one seaman gunner to every gun should be sent on board every ship carrying over four guns, and two to every gun where there are three guns or under.

ENGINEERS.

During the administration of Mr. Secretary Welles there was a class of engineers established at the Naval Academy, but it was discontinued on the ground, I believe, that the law made no provision for appointing engineer cadets with the pay of third assistant engineers. There is, however, a provision by which cadet engineers can be appointed and be educated at the Naval Academy. In this way several young men were appointed, two of whom passed with great credit to themselves. I think it would be advantageous to the Navy to reestablish a class like that formerly existing at the Naval Academy, and fill up the vacancies in the grade of second assistant engineer from the graduating engineer cadets. It would, in my opinion, also be advantageous to establish the grade of marine cadet. The young men who are successful in passing the examination for admission to be educated two years at the Naval Academy and on graduating to receive commissions of second lieutenants in the Marine Corps. This would be the most effective step yet taken for the improvement of this branch of the service.

PRIZE MONEY.

Notwithstanding the efforts of Congress to regulate the subject of prize money the laws are still defective, at least they have not been carried out in the spirit in which they were framed. During the war of the rebellion large amounts of property were captured, but much of the proceeds was frittered away in prize courts for illegal fees. Even the employment of special counsel did not protect the captors, as the Department has in its possession evidence that the counsel employed by Government secured fees far in excess of their proper compensation, after which they neglected the interests they were intended to defend. There

is but one way to avoid these evils and that is to appoint an officer of the Navy to be attached to the Department and have cognizance of all prize matters, employing counsel by direction of the Secretary of the Navy in special cases. This would not be a difficult duty to perform, nor would it require any great legal ability. It only needs some one who will see that the laws of Congress are not violated, and who will honestly call the attention of the head of the Department to a misappropriation of prize property. Sections 14, 17, 18, 19, 22, 23, and 24 of an "Act to regulate prize proceedings and the distribution of prize money, and for other purposes," approved June 30, 1864, are not and will not be complied with until an officer specially employed in the Department has charge of the matter. At present and for some time past this duty has, in addition to his other duties, been performed by a clerk.

At this moment there are large amounts of prize money due to captors, lying in the treasury waiting only for certain forms to be complied with. This is prize money that has been adjudicated by the courts and about which there can be no question. It is but justice to the claimants that they should be paid without delay, and it only requires an order from the Secretary of the Navy to enable them to receive their dues. If there is likely to be any delay in the future payments of prize money, owing to any law of Congress, an effort should be made to have such law repealed. The whole subject of naval prize money should properly be under the direct supervision of the Secretary of the Navy, but at present it is under control of the Interior Department, where great difficulties seem to exist in transferring the money from the treasury to the captors to whom it has long been justly due.

SQUADRONS ABROAD.

I would earnestly recommend an increase in our squadrons abroad, particularly in the Mediterranean, Brazil, and the East Indies. In the latter quarter I recommend the employment of one of our heaviest iron-clads, and would suggest that the *Monadnock*, now repairing at Mare Island, be sent there at the earliest convenient moment. This, with the vessels at present on the Asiatic station and an addition of three vessels (of the class of the *Palos*, lately sent there) which are suitable for navigating the Chinese rivers, would constitute a fair supply of vessels for the squadron, considering the present means.

The Brazil squadron should be supplied with a larger flag-ship and two small vessels of the *Narragansett* class, as soon as possible, for the *Wasp* is the only vessel now on that station that can ascend the rivers.

The duties to be performed abroad by our naval vessels are not generally understood or appreciated, yet it is, nevertheless, a fact that, in proportion to the force we have in commission, we give more protection to our commerce than any other naval power. Our policy has always been a contracted one, and so small have been our squadrons abroad that they have given foreigners but a feeble idea of our strength at home, and if the system is continued on the Asiatic or South American coast, it might seem to invite aggression. While we may not aim to contend with the greatest naval powers for supremacy on the ocean, we may at least hope to be able to afford our countrymen proper protection and not subject ourselves to the derision of semi-civilized Asiatics.

SHORTNESS OF CREWS IN OUR SHIPS OF WAR.

I notice in the reports of exercises on board our vessels abroad, that complaints are made of the shortness of the crews, which causes the ex-

ercises to be incomplete. The deficiency in the complement of the vessels is owing to the fact that only 8,500 men are allowed our entire Navy. When it is remembered that out of this aggregate a large number are employed in receiving-ships, and in vessels engaged on surveys in compliance with laws passed by Congress, while Congress makes no provision for extra sailors, it is creditable to our officers and men that they can fulfill the requirements made on them with so small a force. To enable our ships to perform all the duties required of them abroad they should be fully manned. It would be small comfort to the country to be told that one of our vessels was discomfited in action, or had suffered wreck, because she had an insufficient crew. We all know what anxiety exists among the friends of our officers and seamen when a vessel's arrival is not reported within a few days of the appointed time, and how ready some persons are to impute to the negligence of the Department any accident that may occur, notwithstanding the latter has used all the means in its possession to make our ships of war efficient in all respects. The proof of the Department's success in this lies in the fact that many of our war vessels have lately been exposed to the tremendous hurricanes that have swept the coast of Europe and America, and filled the ocean with wrecks, and, although in the heaviest part of the cyclones, the only damage suffered was the loss of a few sails, spars, and boats. Reports from the commanding officers have been received, expressing perfect satisfaction with the strength and equipment of the vessels. Considering that many staunch and well-tried merchant steamers have had to succumb to the late fearful gales, it is nothing more than just to attribute some of our good fortune to the watchfulness and care of the commanders and officers of our naval ships. It must also be recollected that our naval seamen, on their first starting out, are in some cases little versed in the intricacies of ropes, mallets, and marline-spikes, or going aloft—very important parts of a seaman's education.

NATIONAL FOUNDRY.

The importance of establishing an experimental foundry is becoming more apparent every day. During the war of the rebellion the Government was obliged to purchase guns in large quantities. Many of these proved more dangerous to friends than to our enemies. Indeed, so many fatal casualties occurred, caused by the bursting of guns made by gentlemen of known probity, that great want of confidence has been engendered in ordnance not manufactured directly by Government. All nations are now devoting much time and making close investigation into the method of manufacturing the largest and lightest guns, and although we have hitherto taken the lead in this respect, we are at present unable to compete with European powers for want of adequate means. We can only keep pace with them in this respect by experiments, which the size of the naval appropriation will not justify.

In 1862 there was commenced at the Washington navy yard a large experimental foundry, in which it was proposed to cast the heaviest kind of ordnance. This building has, however, until latterly, been neglected and used simply as a storehouse, whereas no means should have been left untried to insure its completion on the most approved plans.

A government that depends on private manufacturers and contractors must at times be subjected to disappointment, while a government that possesses within itself the means of casting its own cannon can be ready for emergencies at any time, and carry on the experiments necessary for the perfecting of ordnance.

For the want heretofore of a proper foundry the Navy will lose the benefit of many guns which have suffered so much from the tests to which they were subjected that they are no longer fit for service.

A gun furnished by a contractor must necessarily be more closely scrutinized than one cast by Government employés, who pay every care to the smelting and mixture of materials and who are more intimately connected with the interests of the Government. The object of contractors is to realize a profit, while the object of the Government would be to make a gun that would render service without endangering the lives of our own officers and men.

After considering the subject in all its details, it was determined by the late Secretary of the Navy, Mr. Borie, that the edifice known as the ordnance building, at the Washington navy yard, should be proceeded with to completion, and that the Ordnance Department should make such experiments as the growing wants of the service require.

The Bureau of Ordnance, during the last session of Congress, gave this matter full consideration, but no appropriation was made by Congress to proceed with the building, and we still remain without the means to undertake experiments of vital importance to the Navy.

By way of illustration, I will endeavor to show what foreign powers are accomplishing in this direction, that you may be assisted in forming an opinion of what we owe to ourselves.

IN RELATION TO THE NECESSITY OF FITTING UP AN EXPERIMENTAL
FOUNDRY, ON THE WHITWORTH PLAN.

Ordnance.—The system of constructing ordnance pursued at the Woolwich dock-yard, at the manufactory of Sir William Armstrong & Co., at that of Krupp, at the manufactory of the French breech-loading guns, and other places, are all matters with which we are more or less familiar, as they have at various times attracted considerable attention and discussion. Our ordnance authorities have not, however, adopted any of the English, French, or Prussian plans of guns, because, up to a recent period, we believed that we had the best gun for smashing in the sides of iron-clad ships, our 15-inch gun at Shoeburyness having broken a majority of plates with a lighter charge of powder than we should use in action against an armored vessel. Our large guns have been found able to stand a larger charge than was originally intended for them, and I am aware of no instance in which any of them have burst after repeated firing with the adopted service charge. Several have broken at the muzzle from binding tightly in the iron port, (the shell at the same time exploding in the muzzle,) but as the “chase” near that part of the gun is made thin in order to pass through the narrow port, it does not take away from the merit of this kind of ordnance. This gun of ours has, however, but a certain amount of crushing power, which cannot be increased, owing to the fact that the best cast iron can only endure a strain of 37,000 pounds to the square inch, which is nearly reached with a hundred pounds of mammoth powder. It must be remembered that our gun was projected when vessels were clad with not more than eight and ten inches of iron, and when it was supposed impossible for ships with heavier armor to be efficient or manageable at sea. At this point we have rested without making any advance in ordnance, while the English and Prussians have made such strides that they possess guns that will drive a shot through the best iron of twenty inches in thickness. We cannot hope to compete with these nations until we have our own experimental foundry, when we can make such tests under the immediate direction

of the Ordnance Bureau as will at once enable us to detect all defects in a gun and prevent the adoption of what may in the end prove ruinous.

We have on several occasions cast rifle guns, which, although answering tolerably well for the immediate occasion for which they were required, would be of no use in maritime warfare as at present conducted, except in light-armed wooden vessels for cutting up commerce. During the war of the rebellion many of these rifle guns burst, inflicting more damage upon us than they had previously inflicted upon our foes.

The army 13-inch rifle gun, although of great power, is looked upon by some with distrust, and the several large rifle cannon which have been cast by contractors, and for which the Government has had to pay large amounts, have been so weakened by the not unusual tests to which they have been subjected that they are of no use to the Navy. My observation teaches me that we cannot make a rifle gun fit for service against heavy armored vessels, because we adhere to the system of cast-iron ordnance, in which the metal used has not the tenacity to stand the work required of it.

The Elswick works are celebrated all over Europe, and at this time employ 1,500 men in casting guns for almost every foreign government.

The British government spent many millions of dollars in the adoption of the breech-loading Armstrong gun, which, after a few years of trial, was thrown aside, and the muzzle-loader substituted in its place.

The Armstrong establishment at Elswick, after a career of unexampled embarrassments, has at last reached a point where its reputation is established, and in it the British government possesses all the advantages it would have in a manufactory of its own, although rendered independent of it by the possession of a similar establishment at Woolwich. The guns manufactured at the last-named place are no doubt as good as any can be made of forged materials, with their steel inner tube and coiled reinforcing bands, but they do not, in my judgment, excel the Whitworth ordnance, to which I wish to draw your attention:

"In the Armstrong gun there is a combination of steel and iron, and the union of any two metals is always objectionable. The gun is, moreover, 'built up,' and the numerous welds are so many weak points. Finally, the gun is extremely expensive.

"In the Whitworth system all these objections disappear, as but a single metal is employed in the manufacture; yet the British government adheres to the Armstrong gun, and upon the latter depends the supremacy claimed for the royal navy.

"That the claims of the British are not altogether well founded may be inferred from the fact that serious injuries have already been discovered in their 18-ton gun, and they have reduced the charge in their 25-ton gun, throwing a shot of 600 pounds."

Having considered the advantages and disadvantages of the British naval system, I would recommend that a board of intelligent ordnance officers should be sent abroad to carefully examine into the system pursued at the works of Sir Joseph Whitworth, at Manchester.

If my information is correct, we can obtain a cast steel smooth-bore 15-inch gun able to bear a charge sufficient to smash the sides of the heaviest iron-clad at present constructed, and a 25-ton rifle gun cast at an expense that will enable us to dispense with our present rifle ordnance on shipboard.

To arm our iron-clad vessels with guns the shot from which will crumble to pieces against an enemy's sides, seems merely to invite defeat, which must be the case with our present cast-iron shot.

It has been found at the Whitworth works that from the metal there

in use can be made guns bearing a tensile strain of 84,000 pounds to the square inch. This is not on the Bessamer or forged steel principle, which is not so strong as the Whitworth, because the metal is never free from porosity, but is simply *molten decarbonized metal*, which is poured into molds, and subjected to great compression while cooling by means of a very powerful hydraulic press.

The immense pressure closes all the pores in the metal, and, bringing its particles into close proximity, the result is the production of a casting having all the tenacity of forged steel combined with the special convenience and economy of cast steel. The press at present in use has a power of 2,500 tons, and another which the Whitworth company are now building will exert a pressure of 8,000 tons, and will be used to exert a pressure upon castings of 20 tons to the square inch. With this pressure no molds will stand except those made of the Whitworth metal itself.

In the above extract from the report of First Assistant Engineer R. H. Thurston you have the principle on which the Whitworth gun will be made in the future, and here we find the means by which we can obtain a cheap and effective gun that will at once, as respects ordnance, place us on an equality with any other naval power.

Unless blind to our own interests we cannot permit such a principle as this to go unnoticed, and means should be at once adopted to secure its introduction in our service, if it is correct. This can be effected with much less expense than was incurred by the original inventor of the process, who exercised a great deal of ingenuity in arranging the details of his simple method, and was, beside, subjected to a large expenditure of money.

To sum up the advantages of guns made by the Whitworth process, "The metal can be relied on to bear a tensile strain of 45 tons per square inch, and to elongate 25 per cent. before breaking." Here, then, is a metal that will enable us to cast the toughest and lightest smooth-bore gun, and is yet sufficiently hard to stand the friction of any steel projectile that may be fired from rifled ordnance—a desideratum long sought for in the fabrication of our guns, but never before attained.

For shells intended to penetrate armor, we have here also the metal that will not crumble to pieces against the hardest plates, and that made into a chilled or flat-headed shot will cut through the toughest iron.

It would be good policy to purchase a small number of these guns from the Whitworth establishment to try them in service while we are preparing the works to construct them ourselves, which we shall no doubt have to do for our own convenience and safety. Some other process, it is true, may be discovered to succeed that of Whitworth, but we must do as other nations do, incur expense to keep up with the progress of the age.

We can no more stand still watching for others to reach perfection in ordnance than we can in building iron-clads. A navy kept up even on the humble scale of our own is an expensive establishment, yet it would be better to have none at all, and to depend upon the friendly feeling which the world at large might be disposed to extend to us, than to have one incapable of coping with the ships of a very inferior naval power.

It is an absolute necessity that we should at once provide ourselves with a rifle gun equal in all respects to the 25-ton English gun. Such a piece of ordnance, in combination with the heavy smooth-bore to which we adhere, would be very effective, and give us a great advantage over an enemy armed with but one of these two kinds of guns.

We have no gun that will penetrate the sides of an iron ship under

water, while the English rifle gun, with a flat-headed shot, will break through the sides of a ship at an angle of seven degrees.

By experiments made with a 1-pounder Whitworth gun, a flat-headed shot of Whitworth metal reached the point aimed at, 39 inches below water, without deflection, and penetrated the armor. The effect of a 600-pound flat-headed shot would be the same, and it may be conceived how soon one of our vessels would be disabled by such a projectile.

We have not paid that attention to experiments of this kind that the subject demands, but have depended too much on experiments made abroad. This neglect does not arise from any want of interest in our ordnance officers, who are keenly alive to the importance of the subject, but from the very limited appropriations allowed, and from the want of a proper ordnance practice ground. The experiments required are expensive, and, to secure any approach to perfection, must be continuous and employ a considerable number of officers, who would not only be performing the duty required of them, but would be constantly improving in this important branch of their profession.

I append herewith a table containing particulars of the Whitworth guns now made, showing prices much less than similar ordnance could be procured in this country.

Particulars of Whitworth guns.

Size.....	7-inch.	8-inch.	9-inch.	11-inch.
Weight.....	7 tons.	10 tons 6 cwt.	15 tons.	27 tons.
Weight of shot.....	255 pounds.	375 pounds.	535 pounds.	965 pounds.
Weight of charge.....	23 pounds.	34 pounds.	50 pounds.	90 pounds.
Price.....	£950.	£1,400.	£1,800.	£3,200.

Penetration and range 20 per cent. greater than Armstrong.

IRON-CLADS.

While other nations are experimenting in iron-clad vessels, and endeavoring to find some method of resisting the impact of the heaviest shot, we are doing absolutely nothing in that direction. Until lately it was perhaps just as well that we looked on and carefully observed the supposed improvements made by foreigners, for there have been many failures, involving much expenditure of time and money, both in England and France, the two nations furthest in advance in the construction of iron-clad vessels.

We have carefully noted what has been done abroad in this line from time to time, and the qualities of the different foreign vessels have been closely criticised. The conclusion arrived at is that there is no difficulty in building, in this country, an iron-clad vessel equal, if not superior, to any that has been constructed abroad, and at the same time avoid the errors committed by our transatlantic friends.

Expensive as the vessels of war now in use may be, we are obliged to keep pace with those who stand before the world as our maritime rivals if we desire to possess that prestige which should naturally belong to a nation of our magnitude. We cannot hope to maintain the character of a first-rate naval power if we content ourselves with merely observing the experiments of others, (who are gradually attaining perfection,) with the idea of finally adopting their plans when matured.

There can be no absolute perfection in the building of ships or machinery; there is always an improvement going on, and a ship, con-

sidered perfect of its kind, is no sooner completed than another, with additional improvements, is desired. Great Britain, France, and all other European powers have not been hindered by expense from the adoption of new plans for iron vessels, and no sooner are defects discovered in one of their vessels than another is planned with a view to remedy them. The result has been an accumulation of iron ships, the majority of which would appear to be unexceptionable vessels.

There are so many questions involved in the construction of iron ships of war with heavily armored sides that it would be strange indeed if partial failures did not sometimes occur; and this is what we must ourselves expect in building ships of war of the present style. There are four points of great importance to be considered in naval construction—stability, steadiness, speed, and invulnerability; and in reference to these points we shall never be able to arrive at any conclusion until we commence building ourselves, and thus encourage the talent of our own country, which has hitherto given proofs of great superiority.

After all the fine vessels built by the English, many of which have been pronounced perfect, they have projected a new class of iron-clads. Three of these, the *Vanguard*, *Audacious*, and *Invincible*, are finished, and are being tried, and three others are under construction. These are no doubt powerful vessels, and as we have generally no means of ascertaining the result of the experiments undertaken to test them, we can know no more of their performances than it may suit the British government to make public. How, then, could we be justified in waiting to copy ships built after years of experience, and probably perfect of their kind, when we cannot get the reports of the officers who command them, such reports abroad never being made public as similar ones are in this country?

To show the folly of our waiting for foreign powers to further perfect the iron-clad system, I would simply remark that we would be as likely to adopt their failures just at the time they were abandoning them.

In regard to the British vessels I have mentioned, the last of those built, although very fast under steam, are not considered successes as ships of war, and I think that their officers and men view them with distrust. The admiralty having found that raising the weight from below increased the steadiness of the vessels, made this change at the expense of stability, and have so far affected their iron-clads and their magnificent Indian troop-ships that the latter, on their trial trip, without a stitch of canvas set, heeled sixteen degrees. There is consequently some fear, increased by the loss of the *Captain*, that they will capsize in a heavy squall. In consequence of the anxiety that is felt, orders have been issued to put 300 tons of water within the water-tight compartments and double bottoms of the vessels. Such a proceeding at once affects their speed and deprives them of the first requisite in a ship of war, and although these iron-clads have only the spars of our old first-class frigates, the authorities already talk of reducing them. From this will appear the absurdity of our waiting any longer for foreign powers to solve the problem of an iron-clad ship. We must accept the situation as it is, and go to work with our common sense practical ideas, which I am sure will again give us the lead we took in the earlier construction of iron-clads.

The English do not confine themselves to building one kind of vessel, but have several plans on foot at one time, and have lately produced a new ship, the *Devastation*, which, if report speaks truly, is a marvel of her kind. This vessel has a 12-inch plated hull, with 18-inch heavy wood backing lined with iron. Her 14-inch iron turrets, with 12-inch plates

on the breastwork in front of the turret, would seem to bid defiance to our heaviest guns, which were cast at a time when nothing stronger than five or six-inch plates were in use. It was never calculated that their smashing projectiles would demolish such structures as those mentioned.

There is a delusion prevalent among the majority of our people, that we possess the most powerful ordnance in the world in the 15 and 20 inch guns. The former, at a moderate distance, would break through 15 inches of English iron plates; and the latter would, by calculation, with 200 pounds of powder, penetrate or smash a 20-inch plate, with solid backing; yet these guns would probably have little or no effect on a vessel of the "Devastation" class; while the latter, armed with the 12-inch Woolwich gun, could drive her shot through our best 14-inch plates and demolish those of 20 inches in thickness. Formidable as this vessel is, we should hesitate to blindly copy her, not knowing whether she possesses the requisite stability and sailing qualities of a ship of war. If one of our monitors were to come in conflict with a ship of the "Devastation" class, there would be little doubt as to which would be the victor; for, although at sea and at close quarters we look upon our smooth-bore guns as possessing certain advantages, it is defective as far as obtaining great initial velocity is concerned, and can only be damaging to a heavily-armored opponent at a very short distance. This position of close quarters can only be gained by possessing very great speed.

At the present time we have reached a point of endurance in American cast-iron ordnance that cannot be exceeded with that material. Our gun metal has only been made capable of resisting a strain of 37,000 pounds to the square inch, and as the limit of elasticity of a metal is passed long before the breaking strain is reached, the limit of safety is attained before a pressure of 30,000 pounds. Thus it will appear that, while we may be battling against a vessel with a double armor, (of 14 and 12 inches combined,) we using a shot of over 400 pounds, with an initial velocity of 900 feet per second, she will, in return, contend against our 13-inch plates with a gun that can bear a tensile strain of 45 tons to the square inch, a shot weighing over 600 pounds, and having an initial velocity of 1,600 feet per second. These are heavy odds for our Navy to contend against, and nothing but disaster can result unless we keep pace in the march of improvement.

Should war unfortunately be forced upon our country it would not be pleasant for those who have to take part in the conflict to contemplate the probable results, and humiliating as it is to be obliged to confess our weakness, it is surely better to do so now than to have the knowledge sprung upon the nation when too late to remedy the evil, and when the greatest disasters have overtaken us.

In conclusion, will you please allow me to draw your attention to the available sea-going vessels now belonging to the Navy. The register presents an array of names that would lead our legislators to believe that we had a respectable force; and, indeed, if we possessed the number of vessels, of the right kind, stated in the list, it might be said that we had a fair navy. Our whole available force of vessels, sail and steam combined, in commission, under repair, and laid up, is fifty-three, calculated to mount seven hundred and seventy-nine guns. Four of these, intended to carry ninety-two guns, will never be of any use to the service, for, as they are built of unsound timber and require great alterations, it would be cheaper to build new vessels. Out of the whole number, twenty-four, to mount three hundred and sixty-two guns, are

under repair. Some of these require slight, but the majority need thorough, repair. This will leave twenty-nine available sea-going vessels, of sail and steam power, carrying four hundred and seventeen guns.

There are six screw steamers on the stocks to mount one hundred and twenty-two guns. These, if not soon launched and placed in commission, will so deteriorate that they will require a much larger amount than at present to finish them.

There are four heavy monitors on the stocks, which it will be well to keep there for the present. When completed they will be formidable vessels, capable of bearing armor that will resist the heaviest foreign shot. They can also be arranged to carry 20-inch guns, throwing a weight of shot which few ships could resist. I would recommend that every care be taken for the preservation of these vessels, and that all the material required in their construction be collected and fitted so that they can be launched at a moment's notice.

We have in commission three monitor or turret vessels mounting eight 15-inch guns, and nineteen others laid up in ordinary that could be made serviceable. Some of them require large expenditures, but a few are in tolerable repair. For harbor defense, to act in concert with forts, these monitors could, in a short time, be made very serviceable, with the exception of three or four which are so far gone that it would not be economy to repair or rebuild them.

We have twenty light-draught monitors that are simply worthless as fighting vessels, yet they could be made valuable in time of war in obstructing channels by stretching chains from one to another.

There are twelve paddle-wheel steamers, only two of which are fit to go into action. Seven of them should be sold out of service, and their places supplied with light screw steamers.

There are twenty-two old sailing vessels of various classes, used as receiving ships, store-ships, &c. Of these, eleven are serviceable as store and practice ships, but are not suitable for war purposes.

There are thirty-five tugs and store vessels in moderately good repair, though not suited for offensive purposes. The tugs are useful as dispatch vessels along the coast and for towing.

There are five condemned vessels, including the New Orleans, 74, (on the stocks at Sackett's Harbor.)

Together we have a sum total of one hundred and eighty-one naval vessels, of which number only forty-nine are at present available as ships of war.

Many of the vessels on the register should be entered as "hulks," for at present they tend to deceive our own people with regard to the strength of our Navy, while foreign powers are well aware of the value of every vessel in our service, as they have for years employed intelligent officers in this country to keep them informed in all particulars relating to our ships in commission or under construction.

From this exhibit it will be seen how necessary it has become for us to build a new set of vessels; for to repair many of those that we have on hand would cost more than to construct new ones, since there is first the expense of pulling the old vessels to pieces, and then of putting them together again, all without obtaining first-class vessels of war.

I have the honor to be, very respectfully, your obedient servant

DAVID D. PORTER,
Admiral.

HON. GEORGE M. ROBESON,
Secretary of the Navy.

REPORT OF THE SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR,
Washington, October 31, 1870.

SIR: In preparing this report, I have compressed within a narrow compass a history of the operations of the Department during the past year, and submitted a few suggestions which my brief experience has induced me to believe will, if carried into effect, promote the interests of those branches of the service which are confided to the supervision of the Secretary of the Interior.

PUBLIC LANDS.

During the last fiscal year, public lands were disposed of as follows:

	Acres.
Cash sales	2, 159, 515. 81
Located with military warrants	512, 360. 00
Taken for homesteads	3, 698, 910. 05
Located with college scrip	192, 848. 21
Grants to railroads	996, 685. 28
Grants to wagon roads	36, 628. 01
Approved to States as swamp	481, 638. 31
Indian scrip locations	16, 827. 33
Total	8, 095, 413. 00

A quantity greater by 429,261.03 acres than that disposed of the previous year. The cash receipts of the office amounted to \$3,663,513 90; a sum less than the previous year.

The quantity of land taken under the act of March 3, 1870, was 961,545 acres than that of the preceding year.

The area of public lands undisposed of which 1,307,115,448 acres are unsurveyed.

During the last year 18,165,278 acres have been surveyed and established between Nebraska and Colorado, and between Nebraska and Kansas. One million seven hundred and eighty-se-

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and eighty-eight acres in New Mexico and Colorado were offered at public sale.

The grants for educational purposes since the foundation of the Government amount to 78,576,802 acres; for military services, 73,463,961 acres; for internal improvements, exclusive of railroads and wagon-roads, 13,853,054.93. Swamp lands approved to the States amount to 60,459,868.80 acres; and there have been selected by way of indemnity for swamp lands 637,261.81 acres. There has been paid \$728,491 16 as indemnity for swamp lands sold by the Government for cash.

Several of my predecessors, in their annual reports, have mentioned the necessity for the speedy adjustment of those claims to land in New Mexico or Arizona which have arisen under the governments which ceded to us jurisdiction and sovereignty. The act of July 22, 1854, prescribes the duties of the surveyor general of New Mexico in relation to such claims. A doubt has been expressed whether the act applied to that region of country acquired by the treaty concluded at Mexico, December 30, 1853. Congress at the last session established a separate surveying district for Arizona, and provided that the surveyor general should have the same power, authority, and duties as were conferred upon the surveyor general of Oregon. A subsequent enactment, however, authorized and required him to ascertain and report upon claims to lands in said Territory under the laws, usages, and customs of Spain or Mexico, and for that purpose clothed him with all the powers of the surveyor general of New Mexico under the act of 1854. There can be no question that his authority extends to lands in Arizona, acquired under the treaty of Mexico, as well as that of Guadalupe Hidalgo. His reports are not final, but must be transmitted to Congress for its decision. This mode of ascertaining and determining private land claims differs very essentially from that provided in regard to claims of a like origin and character to lands in California, and is liable to serious objections. The Government is not represented by any person to maintain its rights, and the surveyor general reports only upon the documentary or other evidence submitted to him by the interested party. The confirmation of the claim rests ultimately with Congress, but that body is not so well adapted, as is a judicial tribunal, to pass upon controverted matters of fact, or to settle the various and sometimes complicated questions of law arising upon a disputed title. The claim, when confirmed, is usually designated by its number. It frequently occurs that there is no statement, either in the act of Congress or in the reports of the committees, or in the papers accompanying them, of the precise quantity of land embraced by the claim. General boundaries by natural features of the country are given in the original documents, but they furnish no safe and certain means for determining the real extent of the tract. A striking instance of the loose and indefinite character of these grants is presented in one of the claims confirmed by the act of the 21st of June, 1860. The claimants insisted that the tract should be

surveyed according to the boundaries which they alleged were set forth in the original petition, covering an estimated area of 450 square leagues, or over 2,000,000 acres. I refused to authorize such survey. Under the Mexican colonization law of 1824, and the regulations of 1828, eleven square leagues was the maximum that could be lawfully granted by the governor to any private person, for the purpose of residence and cultivation. I have felt it my duty, therefore, to withhold my sanction to any survey including a larger quantity for each grantee, unless it is unmistakably specified in the grant, or in the act of Congress. Conveying by patent that extent of land to the colonist having a valid claim, or to those deriving title under him, is a faithful compliance with the obligation imposed on the good faith of the United States under their treaty stipulations with Mexico. Should Congress not establish a special tribunal for the investigation of these titles, and prescribe a period within which they should be presented for adjudication, I respectfully urge the expediency of further legislation, explicitly defining the duties of the General Land Office and of this Department, in relation to the survey of confirmed claims of this description.

The Commissioner, in his report, presents the fullest details respecting the public lands, and discusses, with his characteristic ability and research, many questions of general interest.

PATENTS.

During the year ending September 30, 1870, there were filed in the Patent Office 19,411 applications for patents, including reissues and designs, 3,374 caveats, and 160 applications for the extension of patents. Thirteen thousand six hundred and twenty-two patents, including reissues and designs, were issued, 101 extended, and 1,089 allowed, but not issued by reason of the non-payment of the final fee.

On the 1st day of October, 1869, the unexpended balance of appropriations was \$416,804 58. The appropriations for the fiscal year ending June 30, 1871, amounted to \$539,100, making an aggregate of \$955,904 58. The expenditures since that date have been \$541,798 09, leaving an unexpended balance of \$414,106 49 available for the remainder of the present fiscal year. The fees received during said year amount to \$136,304 29 in excess of the expenditures. The appropriation asked for the next fiscal year is \$575,520.

I take pleasure in bearing testimony to the zeal, fidelity, and marked ability with which the Commissioner has discharged his arduous duties. The office is now in excellent working order. The examining corps, with a very few exceptions, is composed of men whose qualifications have been tested by a severe competitive examination, and who have shown peculiar fitness for the work on which they are engaged. The standard for clerical appointments has been raised, and the efficiency of the service greatly improved. Where vacancies occur among the examiners' clerks, they are filled by the appointment of such appli-

cants as, upon a thorough examination, give satisfactory evidence of their ability to perform the labor of second-assistant examiners. This system, inaugurated with my sanction, has had a beneficial influence upon the *personnel* of the office. A spirit of emulation has been incited, and the occupants of inferior places are encouraged in the pursuit of those special studies which will ultimately enable them to fill with credit and efficiency the highest positions. It has also induced a sense of security as to the tenure of their appointments, and fostered a feeling that ability and faithful service will be promptly recognized and justly rewarded.

The number of patents during the past is less than that issued during the preceding year. This fact is no proof that the enterprise of our countrymen has diminished, or that they have abated in the application of their inventive genius and scientific attainments to industrial pursuits and the mechanic arts. The result is due to the increased care and labor which have been bestowed by the office upon applications, whereby frivolous and worthless contrivances have been rejected. I recommended last year the abolition of the right to an appeal from the decision of the Commissioner to one of the judges of the supreme court of this District. This appeal from an executive to a judicial officer—a strange anomaly, unknown in the practice of any other Bureau—worked only evil, and that continually. It no longer exists in interference cases, and can now only be taken in *ex parte* cases to the court. Even this limited change in the preëxisting law has been attended with the best practical results. The Commissioner has published a volume of decisions in cases determined by him on appeal. The circulation of it among the examiners and solicitors has diffused much valuable information and tended to promote uniformity in the administration of the patent system.

INDIAN AFFAIRS.

During the past year the Department has habitually pursued that policy in Indian affairs which was inaugurated by your direction. The results have proven most conclusively its wisdom, and shown that, even under circumstances of more than ordinary irritation, a peaceful policy appeals with great power even to the wildest savage.

At the time when Red Cloud and Spotted Tail, two noted chiefs of the Sioux nation, were invited to visit the capital, very little hope was entertained on the frontier that war could be avoided. The members of that powerful confederation resented what was declared to be the lack of good faith on our part, in carrying out the provisions of the treaties of 1868. The building of the Union Pacific Railroad had driven the buffalo from their former hunting grounds so far to the southward that it was impracticable for the Indians to rely upon this natural supply of food, clothing, and shelter. Their tents of buffalo skins had rotted with age, their people were in rags, and they were reduced, even for food, to the most absolute dependence upon the rations issued to them

by the Government. Portions of them complained that they had been unable to understand the provisions of the treaties. With the suspicious nature peculiar to their race, they were ready to charge that deceit and fraud had been practiced upon them in interpreting the treaties which had been negotiated under the auspices of commissioners of intelligence and indisputable integrity. A simple, clear, and perfectly frank statement of the attitude of your administration was made to them, both by yourself and the officers of this Department. No attempt was made to hide from them the gravity of the situation, and the absolute necessity for their accepting a new condition of things. They were made to understand the hopelessness of any continued conflict with such a nation as that through whose country they had passed from the Upper Missouri to the capital, and were urged to trust implicitly and peacefully to the good will of the Government and people of the United States, and to accept the necessity of looking, in the future, to agriculture rather than to hunting for subsistence. The visit made a favorable, and, I sincerely trust, an enduring impression upon their minds. An impending war, with all its unnumbered horrors—its waste of blood and treasure—has been averted; the influence of the leading Sioux chiefs continues to be on the side of peace, and their example has been followed by all the principal warlike tribes, which last spring were threatening our frontier settlements.

To perpetuate our friendly relations with the Sioux, much, however, remains to be done. The reservation assigned by the peace commission of 1868 has not been absolutely secured to them. The peculiarity of the legislation on that subject is, that whilst in other respects the treaty was subject to the usual ratification by the Senate, in that particular the action of Congress, as a whole, is declared to be necessary by the original law appointing the commission. The reservation is large in extent, but includes the so-called "bad lands" of the Upper Missouri Valley, which are a mere desert, wholly unsusceptible of any use. I am aware of no reason why the right of the Indians to it should not be recognized and confirmed by positive enactment. Until this be done they cannot be permanently located, or induced to give up their wandering habits and adopt a new mode of life. Our delay in taking action on this disturbing question has already excited a distrust of our good faith, and, if longer continued, will, I fear, render them disaffected and inimical. I earnestly recommend that the attention of Congress be called to the subject.

Under an act passed at the last session the Osages consented to remove to lands provided for them as a permanent home in the Indian Territory, and to relinquish their reservation in Kansas. The latter is in process of survey by the surveyor general of that State, and will soon be thrown open to settlement. Thus is happily ended what at one time foreboded serious disturbance in that quarter. The most valuable portions of their country had already been occupied by

squatters, who had organized provisional county and township governments, and whose presence, with their avowed determination to remain unless expelled by force, had caused the greatest dissatisfaction, and excited incipient hostility among those Indians. The wrongs inflicted upon them were of the most unjustifiable character, as will be seen upon reference to the various papers accompanying the Commissioner's report.

A treaty is still pending before the Senate designed to close up all matters unsettled with the Cherokees. Amendments, prepared with a view to making it as complete as possible, were drawn up last spring by the Indian Office and assented to by their delegates. It is hoped that it may receive final action at an early day.

The council of the Chickasaw nation forwarded to the Commissioner an application for the survey of the Chickasaw lands under the act providing for the survey of the lands of the Choctaws and Chickasaws, upon the request of either nation. In accordance therewith he recommended the survey of the Chickasaw district, and contracts were accordingly entered into for that purpose. Subsequently to this the Department learned, for the first time, that the Choctaws claimed that no independent action on this subject could be lawfully had by the Chickasaws, but that, in virtue of their mutual relations, both nations must assent to the subdivision of the lands situate in either district. The question is one of some difficulty as involving a conflict between the act of Congress making the appropriation and the alleged interpretation of the treaties of 1866; but inasmuch as those treaties distinctly declare in favor of that policy of survey and subdivision which has had the consistent support of this administration in its Indian policy, and as the survey is a free gift on the part of the United States to the Indians, and does not in any mode necessarily interfere with the existing tenure of lands, the survey has been suffered to proceed. I would, however, recommend that before a land office is established, or any allotment of lands in severalty made, the attention of Congress be called to the supposed discrepancy between the statute and the treaty, in order that the just rights of both nations in the premises may be properly protected.

A general council of the civilized Indians in the Indian Territory recently assembled in accordance with the treaties of 1866 and the act of the last session of Congress. It was formally organized, but owing to the absence of the delegates from two nations adjourned, without transacting any business, to an early day in December. Representatives from all the tribes in the Territory will, it is believed, then convene.

The labors of the unpaid commission of citizens who have been co-operating with the Indian agencies have been very valuable during the past year. They personally superintended the purchase of Indian goods, a work requiring more than a month of their time in the early summer. Sub-committees of the body were present at the payments of moneys to the civilized nations in the Indian Territory, and aided in the negotiation which has resulted in the final settlement of the

Osage difficulty. They attended the conferences in this city with the Sioux, and have since visited them, as well as the wild tribes in Wyoming and Dakota. Their work of inspection has been extended to Oregon and Washington Territory. They have shrunk from no self-sacrifice, toil, or danger in endeavoring to make the policy you have adopted toward the Indians an entire success. The healthful effect of their influence and advice is cheerfully acknowledged by the Department and the Indian Bureau, and has inspired a just confidence in the honesty of the transactions which have been concluded under their supervision.

The Friends to whom the agencies in the Northern and Central superintendencies were originally assigned, have most faithfully and industriously continued their beneficent work, with a success even greater than could have been reasonably expected.

Since the passage of the act of Congress making it impracticable to continue military officers in charge of Indian agencies, under your directions the field has been subdivided, and the various missionary associations of the country invited to occupy the same relations to them as those which the Friends have to the agencies under their control. The objections which would naturally arise to the coöperation of religious bodies in a governmental work have been obviated, so far as possible, by inviting the assistance of all missionary associations which have taken part in the work of civilizing the Indians. A preference of any denomination or sect has thus been avoided, and labors already performed are utilized to a greater extent than would otherwise be possible. Wherever a mission school has been established, it has been understood that you would appoint an agent in sympathy with the mission, so that its influence for good might be increased by the whole force of the governmental patronage. If the Indians are to be improved in their condition, our policy must be essentially changed, so that the provision for the wants of the matured and aged shall be treated merely as a temporary expedient, whilst the training of the children in the ways of civilization shall be the controlling and permanent feature of the system. On this point I will add that the Commissioner of Education is earnestly endeavoring to procure such information with regard to the proper and successful modes of educating Indian youth as may enable his Bureau to coöperate most thoroughly with the Indian Office.

Contracts have been made for the survey of the reservation of the Sisseton, Wahpeton, and Cut-Head bands of Indians, pursuant to the requirements of the treaty of February 19, 1867; of a portion of the Yankton Indian reservation under the treaty of April 9, 1858, into 80-acre lots, fronting the Missouri River; of the Navajo Indian reservation, part in New Mexico and part in Arizona, under the provisions of the treaty of June 1, 1868; and of the reservation in Idaho Territory for the Nez Percés under the treaty of August 13, 1868.

The estimated expenses of the Indian service for the coming fiscal

year, including appropriations that may be necessary to meet the interest on non-paying stocks held in trust, will be \$5,070,000, against an appropriation of \$6,150,000 for the current year, showing a reduction of \$1,080,000.

I refer for detailed information, in regard to our Indian affairs, to the able and elaborate report of the Commissioner.

PENSIONS.

At the date of the last annual report, there were borne upon the pension rolls 887 widows of soldiers in the revolutionary war. The number on the 30th day of June, 1870, was 727. The reduction was caused by death, and by the operation of the third section of the act of Congress approved July 27, 1868. As a result of inquiries instituted by the Pension Bureau, the approximate ages of 498 of said widows have been ascertained to be as follows: 15 over one hundred years of age; 113 over ninety years of age; 175 over eighty; 131 over seventy; 51 over sixty; 11 over fifty; and 2 between forty and fifty years of age; 207 are reported as being in good health, 2 as blind, and 2 as inmates of almshouses.

There are on the rolls the names of 1,286 widows and children of soldiers who served in the wars subsequent to the Revolution, and prior to that of 1861, a decrease of 12 since the last annual report.

During the past fiscal year there were examined and allowed 5,572 original applications for invalid pensions of soldiers, at an annual aggregate rate of \$348,943 25, and 3,352 applications for increased pension of invalid soldiers, at an aggregate annual rate of \$174,021 30. During the same period, 12,340 original pensions to widows, orphans, and dependent relatives of soldiers were allowed, at an annual aggregate rate of \$1,547,174 75, and 3,085 applications of the same class for increased pay were also admitted, at a total annual rate of \$114,167 71. The number of claims admitted, original and increase, during said year, was 24,349, and the annual amount of pension thus granted was \$2,184,307 21. On the 30th day of June, 1870, there were on the rolls 86,187 invalid military pensioners, whose yearly pensions amounted to \$7,055,749 52, and 109,552 widows, orphans, and dependent relatives of soldiers, whose yearly pensions amounted to \$14,224,664 33, making the aggregate of army pensioners 195,739, at a total annual rate of \$21,880,413 85. The whole amount paid during the last fiscal year to invalid military pensioners amounted to \$9,003,913 93; to widows, orphans, and dependent relatives, \$18,328,306 97; a grand total of \$27,332,220 90, which includes the expenses of the disbursing agencies.

During the same year there were admitted 149 new applications for invalid navy pensions, at an annual rate of \$13,038; 88 applications for increased pensions of the same class, at an annual aggregate rate of \$3,923; 160 original applications of widows, orphans, and dependent

relatives of those who died in the navy, at an aggregate rate of \$24,000; and 20 pensions of the same class were increased at a total yearly rate of \$1,890. On the 30th June, 1870, there were borne on the rolls of navy pensioners 1,334 invalids, at an annual aggregate of \$118,726 25, and 1,613 widows, orphans, and dependent relatives, at an aggregate annual rate of \$261,060, making the number of such pensioners 2,947, at an annual aggregate of \$379,756 29. The amount paid during the last fiscal year to navy invalids was \$133,448 50, and to widows, orphans, and dependent relatives \$315,142 41, a total amount of \$448,590 91.

During the year there were added to the number of pensioners, of all classes, 24,766; there were dropped, from various causes, 7,498, leaving on the rolls June 30, 1870, 198,686. The amount paid for pensions of all classes during the year, including the expenses of disbursement, was \$27,780,811 81, being \$642,072 27 less than was paid for the same purposes during the previous year.

There were 1,758 bounty land warrants issued during the year, for 277,200 acres, an excess of 108 warrants over the number issued during the preceding year.

The Commissioner has devoted special attention and energetic effort, first, to a more thorough examination of the evidence presented in support of pension claims, thus insuring the rejection of such as are fictitious and unfounded; second, to a searching inquiry in regard to the present list of invalid pensions, with a view to a more just and uniform graduation of existing rates; and, third, to the ascertainment and cancellation of fraudulent claims heretofore allowed. A cautious medical and surgical scrutiny, by an experienced professional gentleman attached to the bureau, has been applied, not only to the evidence in original applications, but also to the returns of the examining physicians under whose eye the pensioners periodically pass. By this means much has been done toward perfecting general and equitable rules for determining the proportion of pension to which each claimant is entitled by reason of his disability.

The actual amount saved by the disallowance of unjust claims cannot be accurately estimated, but from the other reforms I have mentioned a reduction of \$1,360,000 has been made in the amount required to pay pensions allowed prior to the current year. This is shown by the fact that although 10,000 new pensioners have been placed upon the rolls at an aggregate amount of \$720,000 per annum, an actual reduction in the total amount paid last year has been made of \$640,000. It is believed that a steady application of the system already adopted will continue to produce equally satisfactory results.

The Commissioner has enlarged the work of investigating frauds, and through the instrumentality of special agents has saved many times the sum appropriated by Congress for the purpose at its last session.

The amount of invalid pensions stopped under the last biennial examinations was \$44,854, of those so reduced, \$83,784; of those stopped

during the last fiscal year by order of the Bureau, \$21,888, of those so reduced, \$5,616; and of other pensions so stopped, \$10,920, aggregating annually \$167,062. During the same year the sum of \$20,103 44 was fraudulently drawn by women who had remarried, nearly the whole of which has been recovered; the sum of \$6,122 56 was reported as retained by attorneys in excess of legal fees, a large proportion of which has been restored to the pensioners; 40 attorneys were arrested for violations of the statutes, of whom 18 were convicted, 11 acquitted, 3 escaped, and the cases of 8 were pending at the close of said year; 65 pensioners were arrested for fraud, of whom 22 were convicted, 9 acquitted, 4 escaped, and the cases of 30 were pending at the close of said year.

From September 1, 1869, to June 30, 1870, 10,075 claims for pensions were finally acted upon in the office of the medical referee of the Bureau; 8,267 were approved, and 1,808 rejected; 1,963 admitted cases were sent by the Bureau to its agents for special investigation.

In view of actual and attempted frauds upon colored pensioners and applicants for pension in the States of Alabama, Mississippi, and Tennessee, a special commission was appointed last year to make a thorough investigation. They examined and reported upon 750 cases, and their labors disclosed an enormous amount of systematic extortion and fraud upon pensioners, and upon the government.

I submit the estimates with the remark that if the balance of existing appropriations for the Pension Office, remaining unexpended on the 1st of July next, be withheld from the treasury, and applied to that service, the amount required for the next will be \$10,000,000 less than that appropriated for the present fiscal year.

OFFICE OF EDUCATION.

The report of the Commissioner exhibits the valuable results he has accomplished, notwithstanding the very limited clerical aid at his command. Applications for information were received from all sections of the country, and from abroad. The facts and statistics, necessary to give a full and satisfactory answer to many of these inquiries have never been collected.

The answer made to the resolution, adopted by the House of Representatives in May last, requiring information touching the progress and condition of education in the Southern States, contains much matter of great value and interest. The publication of that paper would have enabled the Commissioner to distribute, in a readily accessible form, authentic information in regard to the educational condition of that part of the Union.

Congress has not authorized the printing of any of the several reports emanating from the Bureau, and the Commissioner was, until last August, compelled to answer by correspondence the various inquiries that were made of him. Three thousand copies of the "Circular of Information" were, by my direction, then printed. They have been distributed, but the demand has not been supplied.

The act of Congress establishing what was then known as the Department of Education required the Commissioner to report, annually, the results of his investigations and labors, together with a statement of facts, and such recommendations as might be considered necessary "to promote the cause of education throughout the country." He has prepared a condensed statement, exhibiting the present condition of education in the several States, and containing statistics which, in a collective form, have never been published.

It is obvious that this Bureau, as at present constituted, bears no just relation to the vital interests with which, to some extent, it is charged. I beg leave to refer to the opinions expressed on this subject in my last report, and to invite for them early and favorable consideration.

CENSUS.

The preliminary report of the ninth census is now printing, and will appear during the earlier days of the next session of Congress. It presents nothing in the way of conjectural or proximate estimates of such results as will be embodied in the subsequent volumes. It is, therefore, necessarily confined to population only, and contains—1st. A comparative table, exhibiting the population, by aggregates and by classes, (white, colored, Indian and Asiatic,) of each county in the United States from 1790 to 1870, inclusive. 2d. A comparative table, exhibiting the population of all civil divisions less than counties—towns, townships, boroughs, incorporated and so far as possible unincorporated, villages, cities, and wards of cities—at each census from 1850 to 1870, inclusive. The population in the latter is classified under the several heads, white, colored, Indian, for 1850 and 1860, and white, colored, Indian, Asiatic, native, foreign, for 1870.

Somewhat over 2,300 counties appear on the first table. The table of smaller civil divisions embraces considerably over 20,000 items. These tables substitute, in many hundred instances, other figures for those set forth in preceding published reports. The latter contain errors, which were detected by thoroughly comparing them with the original manuscript returns deposited in this department.

The statistics of mortality will, it is expected, be ready for the press when the preliminary report shall have been printed. The volumes, containing agricultural, manufacturing, and social and miscellaneous statistics, will probably be completed by the 1st of April next, and will be ready for delivery as soon thereafter as the facilities of the Public Printing Office will permit.

The volume on population, containing the tables of age and sex, nativity, occupation, illiteracy, &c., will, at the rate of progress already attained, without making allowance for the increased dexterity of the clerical force, be ready for publication on or before the 1st of October next.

It has always been assumed that the Department was authorized to

modify the schedules annexed to the census law of 1850, if no new subject-matter was thereby introduced. Changes to this extent were made preparatory to taking the census of 1860. Additions and alterations, which appear to be required for correctly presenting the condition of the country, were made with my sanction upon the schedules for use at the recent enumeration. The material will be tabulated with much more fullness of detail than heretofore, but without involving any increase in the bulk of the successive publications.

The organization of the Bureau has afforded an opportunity of applying the principle of competitive examinations. Those who desired clerical employment, and produced satisfactory testimonials, were sent before a commission and required to answer in writing a series of written questions. To the correct answer of each candidate a definite value was fixed in a scale of credit marks, to the maximum number of one thousand, and no person was appointed to a first-class clerkship who did not receive four hundred. The commission were wholly ignorant of the individuals upon whose qualifications they were passing. The examination was thus made purely impersonal, and the utmost impartiality was secured. The attainments and capacity of the several incumbents approach more nearly to a common standard of excellence than could for a long time be attained in any of the old Bureaus. Six hundred and twenty-one persons were examined; of these, three hundred and thirty-eight were successful. The following classification of the marks is not without interest in this connection:

REPORT BY GRADES.

Over 950	900 to 950	800 to 900	700 to 800	600 to 700	500 to 600	450 to 500	400 to 450	300 to 400	200 to 300	100 to 200	Under 100	Total.
1	5	17	36	46	84	87	62	91	80	64	48	621

The Superintendent has energetically and efficiently labored in organizing the Bureau and supervising its action. The result of his exertions will, I am confident, be shown by a greater rapidity and exactness in executing the work than could possibly have been attained by any other mode of selecting the force under his control. The ability of the several divisions of the office has been carefully tested by the labor actually performed, and the Superintendent's estimate of the time required for the satisfactory completion of the duties assigned to him is based upon established data. The clerical corps has been increased to as large a number as could be employed, conveniently and systematically, in arranging and classifying, with dispatch and scrupulous accuracy, the material received from the marshals. This has been done in the belief that the statistics furnished by the census will lose

REPORT OF THE SECRETARY OF THE INTERIOR.

much of their value, unless they are presented to the country world at the earliest day possible.

The experience of this, as well as of the Patent Office not on supports all that I said in my last annual report in regard to the civil service, but strengthens my conviction that a reorganization of it is as practicable as it is highly expedient. I, therefore, most earnestly, and with increased confidence in their soundness, reiterate the views which I then had the honor to submit.

RAILWAYS.

The subscriptions to the stock of the Union Pacific Railroad Company amount to \$33,783,000, of which \$33,762,300 has been paid. The receipts for the transportation of passengers, freight, &c., for the year ending June 30, 1870, were \$8,344,371 08, and expenses \$5,649,573 45, leaving as net earnings \$2,694,797 63. The entire cost of the road and fixtures at that date, not including unadjusted balances to contractors, was \$108,722,134 35, and the then indebtedness of the company \$76,480,698 61, of which \$27,236,512 was for bonds of the United States, and \$1,602,157 98 on account of interest paid thereon by the treasury and not refunded by the company.

A copy of "articles of association, of amalgamation and consolidation of the Central Pacific Railroad Company of California with the Western Pacific Railroad Company," certified to by the secretary of state of California, has been filed in this Department, as proof that these two companies, on the 22d of June, 1870, were consolidated, in conformity with the laws of the State of California, under the name of the "Central Pacific Railroad Company." Stock of the Central Pacific Railroad Company to the amount of \$48,400,100 has been subscribed, and \$48,378,740 paid. The receipts from transportation of passengers and freight for the year ending June 30, 1870, were \$6,070,172 90, and their expenses \$3,542,212 59, leaving net earnings to the amount of \$2,527,960 31. At its close the indebtedness of the company amounted to \$67,079,730 54, of which \$27,851,000 was to the United States.

The act of Congress approved May 6, 1870, provides for fixing the point of junction of the Union and Central Pacific Railroads within the limits of certain sections of land therein specified. I have not been officially advised of the selection of such point.

The last section of the Western Pacific Railroad, of 20.16 miles, was accepted January 21, 1870. This, with the preceding sections accepted, makes the whole length of the road 123.16 miles.

The stock subscription of the Central Branch Union Pacific Railway is \$1,000,000, of which \$980,600 has been paid. The receipts for transportation of passengers from August 1, 1869, to June 30, 1870, were \$67,899 96, and for freight \$114,663 50. The expenses on account of the road and fixtures have been \$3,723,700, and the indebtedness

of the company for borrowed money, railroad iron, and freights, is \$43,561 80.

Stock of the Kansas Pacific Railway Company to the amount of \$5,072,500 has been subscribed and paid in. The receipts for the transportation of passengers, freights, &c., from September 1, 1869, to June 30, 1870, were \$2,530,283 90, and the expenses \$1,488,815 75. The net earnings of the company were \$1,041,468 15. The indebtedness of the company at the last date was \$18,462,350, of which \$6,303,000 was to the United States. The cost of construction and equipment of 533 miles of the main line and branch is estimated at \$26,000,000. The line has been definitely located to Denver, 639 miles distant from the initial point. On the 30th of June last, the road was in successful operation to the 500th mile-post, and work was energetically prosecuting on the remaining 139 miles. The cost of surveys during the year has been about \$50,000.

The initial point of the Atlantic and Pacific Railroad is near the town of Springfield, Missouri, "upon the west line of the northeast quarter of the southeast quarter of section 12, township 29, range 22 west." Work was commenced on the 4th of July, 1868, and 50 miles of road completed, equipped, and opened for business on the 13th day of last June. On the report of the commissioners you accepted the work. In October 1866, stock to the amount of \$1,000,000 was subscribed, on which ten per centum was paid. Certificates of stock, to the amount of \$3,008,200, have been issued in payment for the Southwest Pacific Railroad. The cost of surveys, to July 1, 1870, was \$30,585 57. The amount received from passengers to same date was \$1,937, and that for freight \$311 40. The cost of the road and fixtures, west of Springfield, to that date was \$2,760,841 63. The company has issued bonds, secured by a mortgage on its lands, to the amount of \$3,000,000, of which \$1,281,561 64 have been sold; and there is a floating debt, on account of construction and equipment, of \$1,735,592 32.

The amount of the stock of the Sioux City and Pacific Railroad Company subscribed is \$4,470,000, of which \$1,788,000 has been paid. The receipts from the transportation of passengers, freights, &c., for the year ending June 30, 1870, were \$301,428 10, and the operating expenses \$189,900 10, the net earnings being \$111,528. The cost of the road and fixtures is \$4,644,320, and the indebtedness of the company \$5,044,320.

At the close of the last fiscal year the amount of subscribed stock of the Southern Pacific Railroad Company was \$1,800,000, and the amount actually paid in \$280,800. Two corps of engineers have been in the field, and explored 510 miles. Notes for a full topographical map of the country thus examined have been taken. The cost of the surveys has been \$4,037 50. The completed portion of the road between San José and Gilroy has not been surrendered by the contractors. The company has been at no expense in running it, nor has it received any of the income from transportation of freights and passengers. The

indebtedness of the company is \$480,000. It has contracted for the purchase of the San Francisco and San José Railroad for the sum of \$2,770,000 in gold coin. Payment is to be made and possession taken on or before the 31st of December next.

The Northern Pacific Railroad Company filed a map designating the route of their road from the mouth of the Montreal River, in Wisconsin, to Simiahmoo Bay, at the forty-ninth parallel of latitude, in Washington Territory. Instructions were thereupon issued for a withdrawal in Wisconsin, Minnesota, and Oregon, of the odd-numbered sections of land, to which prior adverse rights had not attached, within twenty miles, and in Washington Territory, south of Seattle, of such sections within forty miles of each side of the road.

The first section of 20 miles of the Oregon Central Railroad Company, commencing at East Portland, Oregon, and terminating near Parrott's Creek, has been accepted as constructed in conformity with the requirements of the act of Congress. Evidence has been filed in this Department that this company on the 29th day of March, 1870, assigned all their rights and interests to the Oregon and California Railroad Company of Portland, Oregon.

The commissioner appointed to examine and report on the first section of 20 miles of the Little Rock and Fort Smith railroad reported that it was properly constructed, except as to ballasting. It was, therefore, accepted, but on the express condition that this deficiency should be supplied prior to the completion of the whole line.

The report of the commissioners on 77.6 miles of the California and Oregon railroad, commencing at Roseville and terminating near Chico, was received some time since. I declined to advise the acceptance of this portion, as it did not meet the description of a first-class railroad. I informed the commissioners that on being duly notified by the company that these sections had been brought up to the standard adopted for the construction and equipment of the Union Pacific Railroad, they should reexamine them and report to me the result. I subsequently received representations on the subject, from a source entitled to great respect, and I so far modified the order as to allow the chief engineer of the company to file with the commissioners a sworn statement, setting forth specifically the deviations from that standard, and showing in what manner the interests of the public would be thereby benefited. The commissioners were directed to forward such statement when received, with their report thereon, for the final determination of my successor.

The attorneys of the Union Pacific Railway Company, southern branch, (now the Missouri, Kansas, and Texas Railway Company,) the Kansas and Neosho Valley Railroad Company, and the Leavenworth, Lawrence and Fort Gibson Railroad Company, were fully heard on the right of their respective companies to construct a railroad from the southern boundary of Kansas through the Indian Territory. I also considered the objections

of the representatives of certain Indian tribes through whose lands the projected lines of road would pass. After a most careful examination, I reached the conclusion that existing laws and treaties authorized the construction of but one such road on certain conditions, which neither company had then performed. On a subsequent hearing, it was shown that the first-named company had completed its road to the designated point on that boundary, and I held that it was entitled to extend its line through said Territory. My action in the premises received your approval, and the companies were duly notified thereof.

The semi-annual accruing interest, paid by the United States, and not refunded or otherwise discharged by a railroad company, on the bonds issued in aid of the construction of its road, forms a part of its just debts. The companies furnished no statement of it. I called their attention to this obvious omission, but in no instance was it supplied, except by the Union Pacific Railroad Company. On the 30th of June last there was due from the other companies, on account of such interest, \$3,131,891 37.

CAPITOL.

The Capitol may be said to be completed, though its grounds should be largely extended to correspond with its majestic proportions. The Architect's report contains the details of numerous repairs and improvements during the past year, to promote the comfort and convenience of the legislators and others who occupy or visit the building. Arrangements have been made to warm the rotunda and improve the ventilation of the Senate chamber. It may be deemed inexpedient to enlarge the area of the Capitol grounds by the purchase of adjacent private property, but no one can seriously question the propriety of suitably improving those which now belong to the United States.

The paving of G street in front of this Department has been unavoidably deferred. The funds on hand will not cover the cost of completing it. The deficiency was caused by transferring to the treasury the unexpended balance of last year's appropriation, which was available when I submitted the last estimate. An appropriation of \$2,500 will be required to replace it, and to meet the expense of certain indispensable repairs upon the Interior Department building.

The work on the City Hall has been completed without exhausting the appropriations made for the purpose.

I submit an aggregate estimate of \$80,000 embracing sundry items for repairing the Capitol, and continuing the improvement of the surrounding grounds. This sum is \$59,000 less than that voted for such purposes during the present fiscal year.

BENEVOLENT INSTITUTIONS.

During the year ending June 30, 1870, there were under treatment at the Government Hospital for the Insane, 549 patients, of whom 294 were

from the Army and Navy; 404 were males; 77 were discharged, and 18 died. At its close there remained under treatment 454, of whom 256 were from the Army and Navy. The recoveries were 53 per cent. of the discharges excluding, and 43 per cent. including, deaths. The rate of mortality was lower than in any previous year since the foundation of the hospital. At the date of the report of the board of visitors, there were 470 patients in the institution.

The expenditures the past year were \$116,199 68. The products of the farm and garden were estimated as worth \$10,468 30. The institution has 400 acres of land.

The board submit the following estimates:

For support of the institution during the year ending 30th June, 1872.....	\$125,000
Deficiencies the current year.....	25,500
Repairs and improvements of the west wing.....	15,000
Wall on river front.....	10,000
Fencing the Shepherd farm.....	3,000
Total.....	<u>178,500</u>

The number of patients who received treatment during the year ending June 30, 1870, in the Columbia Hospital for women and lying-in asylum, was 1,012. The number of deaths, during the same period, was 15. The estimates for the next fiscal year are as follows: For support of the hospital, over and above the probable amount to be received from pay patients, \$15,000; for rent and repairs, \$3,000; and for books and instruments, \$500; making an aggregate of \$18,500, being \$500 in excess of those submitted for the current year.

There were 90 pupils in the Columbia Institution for the Deaf and Dumb, at the date of its annual report. Half of them were in the collegiate department, and represented twenty-one States and this District, 100 have received instruction since 1st July, 1860, of whom 72 were males. Of these, 5 completed the course of study and received their first degree at the commencement in July last. The receipts for the support of the institution the last fiscal year exceeded the disbursements \$4,895 83. The disbursements for the erection and fitting up of buildings exceeded the receipts \$4,897 19, as they did also for the improvement of grounds \$1,453 41.

The board submit the following estimates for the fiscal year ending June 30, 1872:

Support of the institution.....	\$40,500 00
Erection and furnishing of buildings.....	30,992 00
Improvement of grounds.....	6,673 37
Extension of grounds.....	21,075 00
Total.....	<u>99,240 37</u>

The board have purchased 82 acres of the Kendall Green property for \$85,000, payable in four years, and the estimate which they submit for the extension of grounds is to meet the first installment. They renew the offer to vest in the United States the title to all the property of the institution.

The first of these institutions belongs to the Government, and is eminently worthy of its continued patronage. The others are private corporations, over which Congress has no efficient control. I have submitted the estimates furnished by the directors for such action as may be deemed expedient.

JAIL AND REFORM SCHOOL.

There are 123 prisoners in the custody of the warden of the District jail. During the year preceding this date 1,261 persons were committed, of whom 162 were females; 392, of whom 52 were females, were convicted of various misdemeanors; 11 were convicted and new trials granted; 55 were sent to the reform school; 56 were sentenced to the penitentiary at Albany, New York; 1,267 were released; and 3 died in jail. The expenses, including the cost of the transportation of prisoners, salaries, &c., were \$43,591 67.

I alluded, in my last report, to the subject of a new District jail. The present one is a reproach to the age and to the country in which we live. It is not fit for the confinement of prisoners, whether their safe detention or their health and moral improvement be consulted. Difficulties exist in carrying into effect existing legislation, and I deem it advisable that Congress should amend it, so that the selection of a site for a new building should not be limited to one of the public reservations.

The Reform School of the District of Columbia was opened last December. Up to the 5th inst., 55 boys had been received and 9 discharged. Their ages range from seven to sixteen years, the largest number being fourteen years old. All but 8 were born in this District and the adjoining States; forty-one were of American parentage; thirty were committed for petit larceny. The criminal court committed 24, the police court 27, the mayors 2, and the president of the board 2; five had lost both parents, and 27 one. The board give a very favorable report of the behavior of the boys and their proficiency in their studies. They are in school half the day, and at work on the farm the other half. The law provides that six months shall be the shortest term of commitment. The board express the opinion that it should not, in any case, be less than one year, in order that the reformatory discipline may have a fair trial. They also suggest a change in the law so as to authorize them, on such terms as may be deemed proper, to admit boys whose parents reside outside of the District.

In view of the growing numbers in the school, the board recommend an appropriation of \$20,000 for other buildings, as those now occupied will not furnish accommodations for many additional inmates.

The treasurer reports a balance in his hands the 6th inst., of \$6,440 91, the expenditures having been \$8,059 09.

METROPOLITAN POLICE.

The members of the Metropolitan Police force were diligent and faithful in the performance of their duties during the past year. Fifteen thousand six hundred and three arrests were made, of which 2,637 were females, 9,124 were unmarried, and 6,098 could neither read nor write; 5,748 were dismissed, 11 turned over to the military, 833 were committed to jail, and 103 were also thus committed in default of security to keep the peace; 354 gave bail for their appearance at court; 1,391 were sent to the workhouse; 31 to the reform school, and 563 gave security to keep the peace. Sixteen cases were not disposed of, and in 403 cases minor punishments were inflicted. Of the number arrested 10,232 were charged with offenses committed upon the person, and 5,371 with offenses against property. Fines were imposed in 6,150 cases, amounting to \$23,607 61. During the year 3,696 destitute persons were furnished with temporary lodgings; 203 lost children were restored to their homes; 275 sick and disabled persons were assisted and taken to the hospital, and 230 horses, cattle, &c., found astray, were returned to their owners.

The detective force made 382 arrests, and recovered lost or stolen property to the amount of \$239,322 06.

JUDICIARY, AND TERRITORIAL PENITENTIARIES.

The fifteenth section of an act entitled "An act to establish the Department of justice," approved June 27, 1870, declared that the supervisory powers theretofore exercised by the Secretary of the Interior over the accounts of district attorneys, marshals, clerks, and other officers or the courts of the United States should be exercised by the Attorney General. These terms are, with the necessary variations, the same as those employed when Congress in establishing this Department transferred such powers to the Secretary of the Interior. The records and files in my custody relating to these accounts were sent to the Attorney General, and the fund commonly known as the "judiciary fund" was withdrawn from my control and made subject to his requisition. Certain laws have from time to time imposed upon this Department duties bearing a close relation to the service wherein these accounts accrue, and more appropriately falling within the general scope of the Department of Justice. The cost of executing these laws constitutes a part of the judicial expenses, and this was, no doubt, the controlling consideration for committing those duties to the officer then having supervision of the fund out of which such expenses are paid. The business of both Departments would be transacted with greater convenience and dispatch if the Attorney General were charged with those matters appertaining to the federal courts, which, notwithstanding recent legislation, remain under the cognizance of this Department.

The penitentiaries in Colorado and Montana are now ready for the reception of convicts. That in Idaho will be finished at an early day. The requisite preliminary measures have not been adopted by the legislature of Washington, although the attention of the authorities of that Territory was specially invited to the subject. The work, therefore, has not been commenced. The act of July 15, 1870, appropriated \$40,000 to be set apart from the proceeds of the internal revenue tax in Wyoming for a penitentiary in that Territory, but the amount realized from that source is not sufficient to justify entering into contract for the work. The buildings now completed or erecting were commenced under my predecessor. He required that the titles to their respective sites should be certified by the Attorney General and transferred to the United States. This was manifestly proper, in view of the joint resolution of September 11, 1841; but although these institutions are national property, there is no legislation providing for the Government and control of them. The penitentiaries in the several States belong to them, and the prisoners confined there, pursuant to the judgment of the federal courts, are subject to the same discipline as those sentenced by the local tribunals. I recommend that these institutions in the Territories be placed under the charge of the marshals, with such rules and regulations as may be prescribed by the Department of Justice, or that they be transferred to the local authorities, with such provisions as will secure, on reasonable terms, the custody, subsistence, and employment of convicted offenders against the laws of the United States.

I am, sir, very respectfully, your obedient servant,

J. D. COX,

Secretary of the Interior.

The PRESIDENT.

P A P E R S

ACCOMPANYING

REPORT OF THE SECRETARY OF THE INTERIOR.

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE.

DEPARTMENT OF THE INTERIOR,
General Land Office, October 27, 1870.

SIR: In accordance with the requirements of the resolution adopted on the 28th July, 1855, by the Senate of the United States, the following is presented as an abstract of the accompanying annual report of this office for the fiscal year ending June 30, 1870:

First. The operations of this branch of the service during the fiscal year ending on the 30th June, 1870, have been coextensive with the whole national domain, except Alaska; the new Territory of Wyoming having been organized into a district for surveys and disposal of land by the act of Congress of February 5, 1870.

Second. Statement showing that there are now seventeen different surveying districts, extending from Florida on the Atlantic to the Pacific, and eighty different land districts, each having a register and receiver for local convenience in the disposal of the public lands.

Third. Results of operations for the last year in the disposal of public lands, shown as follows, viz:

	Acres.
Cash sales, including a small amount of military scrip, received as money.....	2, 159, 515. 81
Locations of military bounty-land warrants under acts of 1847, 1850, 1852, 1855.....	512, 360. 00
Homestead entries under acts of 1862 and acts supplemental	3, 698, 910. 05
Agricultural college scrip locations	192, 848. 21
Certified for railways under various acts of Congress....	996, 685. 28
Certified for wagon roads under statutory requirements.	36, 628. 01
Approved to States as swamp lands, and selected as indemnity for lands covered by adverse rights.....	481, 638. 31
Indian scrip locations, Chippewa and Sioux	16, 827. 33
Total of lands disposed of during the year.....	8, 095, 413. 00
Aggregate of the previous year.....	7, 666, 151. 97
Increased disposal.....	429, 261. 03

Fourth. The cash receipts for ordinary sales, preëmption, (including a small quantity of military scrip received as money;) for the five-dollar and ten-dollar homestead payments; for commissions on homesteads; fees for locating agricultural scrip and military bounty-land warrants; for fees on preëmptions, donations, railroad selections, and for certified transcripts, make up an aggregate of cash receipts during the said fiscal year ending June 30, 1870, of \$3,663,513 90, being a decrease from the

preceding year, the reason of which is shown; yet, although the receipts in cash for the last fiscal year are not equal to those of the year previous, the quantity of land disposed of and opened to settlement is considerably in excess of that disposed of during the year ending June 30, 1869.

Fifth. Influence of the liberal policy in disposing of the public lands on immigration pointed out, and the value of the immigrant to this country in a financial point of view considered.

Sixth. The total area of the public domain stated as 1,834,998,400 acres; quantity disposed of to June 30, 1870, as 447,266,190.16 acres, leaving still in possession of the Government, as unsold and unappropriated, an area of 1,387,732,209.84 acres. A prospective view taken of annual disposals, and an increase anticipated much in excess of the present rates.

NATIONAL DOMAIN—HISTORICAL OUTLINE.

Seventh. Our territorial growth—its origin and progress traced; results presented as to the gradual acquisition by the United States of proprietary rights in the public domain.

Eighth. Liberal policy of our Government shown in regard to titles derived from foreign governments, when the latter were in possession of certain territory now within the limits of the republic. The legislative, judicial, and executive departments concurrent in securing to private individuals such titles of every grade, from complete grants down even to inceptive interests, where held in good faith; all such are surveyed and finally carried into patents by the United States, which are furnished to the actual owners.

Ninth. Indian usufructuary rights considered rulings referred to of the judicial tribunals.

Tenth. American land titles discussed; allodial tenures; early legislation in this respect; effect upon social order and individual prosperity.

Eleventh. United States surveying system described; the ratio shown of the surface surveyed in each political division of the public lands; simplicity and efficiency of the system indicated.

Twelfth. Aggregate area of the public domain, as shown in the tabular statements accompanying report—acres .. 1, 834, 998, 400

Of which there were surveyed during the last fiscal year ending June 30, 1870, an extent equal to—acres..... 18, 165, 278

To this quantity add the preëxisting surveys 509, 717, 674

Thirteenth. An aggregate surface of..... 527, 882, 952 acres, over which the lines of the United States surveys have been extended from the commencement in the year 1785 to the 30th June, 1870.

Fourteenth. The existing unsurveyed area is equal to—
acres..... 1, 307, 115, 448

Fifteenth. Astronomical boundary line established under appropriation act of March 2, 1867, between California and Oregon, is 212½ miles in length; sketch given of the topographical features of the country which the line traverses; grandeur of its scenery.

	Miles	ch.	ft.
<i>Sixteenth.</i> Boundary in like manner established between Nebraska and Colorado under appropriation act of July 20, 1868. Line running east and west equal to.....	104	72	07
<i>Seventeenth.</i> That running north and south, in length equal to.....	68	79	59
<i>Eighteenth.</i> The line between Nebraska and Wyoming running north and south, in length	138	22	67
Making an aggregate length of these lines of	312	14	33

which have been astronomically established.

Nineteenth. Boundary between Colorado and Kansas estimated in length at 210 miles; survey not yet made; appropriation inadequate. The sum now required is \$7,350, that heretofore appropriated having become inapplicable by operation of law.

Twentieth. Eastern boundary of Nevada, being a line on the west common to Utah and Arizona, and of an estimated length of 425 miles. A contract has been made for this survey by the surveyor general of Nevada, under appropriation act of July 20, 1868. Surveyors are in the field and the survey will be prosecuted to early completion.

SURVEYS OF INDIAN RESERVATIONS.

Twenty-first. Pursuant to the directions of the Secretary of the Interior, in order to meet the requirements of the treaty of February 19, 1867, with the Sisseton, Wahpeton, and Cut-Head bands of Indians of Dakota, a contract has been made for the survey of their reservation, equal to 918,352.70 acres, payable out of Indian appropriations.

Twenty-second. Yankton Indian reservation in Dakota under treaty of April 19, 1858. In accordance with departmental orders, the survey of a portion of this reservation into 80-acre tracts fronting the Missouri River has been contracted for, the work completed, the returns whereof are soon expected.

Twenty-third. The Navajo Indian reservation, part in New Mexico, and part in Arizona; contract has been made pursuant to departmental instructions under the provisions of the treaty concluded June 1, 1868, with those Indians, the reservation embracing over three millions of acres.

Twenty-fourth. Reservation in Idaho Territory for the Nez Percés; under treaty of August 13, 1868, with those Indians, a contract has been made for the survey of their reservation.

Twenty-fifth. Chickasaw lands in the Indian Territory. A contract has been made by order of the Department of the Interior for the survey of these lands into 160-acre tracts, and the surveyors have departed for the theater of their operations.

Twenty-sixth. Outlines given of the public-land States and Territories, with reference to their several chorographic peculiarities; grand openings to individual enterprise now developing in the Great West; attractions for European emigrants, and for our citizens residing in the older States; sketches given of the several States and Territories according to the following order:

THE ATLANTIC SLOPE.

Twenty-seventh. Public-land States in this classification are situated on the Gulf of Mexico. Florida, (with a long line of Atlantic coast,)

Alabama, Mississippi, and Louisiana. (The larger portion of the last-named falling in the valley of the Mississippi.) These four States embrace an area nearly equal to that of France. Climate, soil, and productions bear a general similarity, having a semi-tropical type, yet verging upon the more decided peculiarities of the temperate zone. Their most important staples are cotton, sugar, rice, and great variety of delicious and semi-tropical fruits.

Twenty-eighth. States in the valley of the Mississippi, east of that river—Ohio, Indiana, Illinois, Michigan, Wisconsin.

THE GREAT REGION OF WHEAT, CORN, AND STAPLE ESCULENTS—
SKETCH OF THEIR RESOURCES.

Twenty-ninth. States and Territories west of the river in the Mississippi Valley—Minnesota, (a small part east of the river,) Dakota, Iowa, Missouri, Arkansas, Kansas, Nebraska. General descriptions given of these political divisions, rich in varied and staple products.

Thirtieth. Territories traversed by the Rocky Mountains, beginning in the south, with New Mexico, Arizona, advancing to Colorado, Wyoming, Idaho, Montana, and Utah; outlines given of these political divisions in regard to their natural resources.

Thirty-first. Political divisions on the Pacific slope: Alaska, Washington, Oregon, California, and Nevada. Brief descriptions given of their resources.

Thirty-second. Public sales during the last fiscal year. There have been offered at public sale, pursuant to proclamation of the President, in—

	Acres.
New Mexico	1, 644, 388
Colorado	143, 000
Total	<u>1, 787, 388</u>

And there have been restored to market of lands heretofore withdrawn for railroad grants in—

	Acres.
Kansas	660, 000
California	201, 000
Making of lands restored a total of	<u>861, 000</u>

Thirty-third. Preëmption privileges in obtaining titles to the public lands fully explained, and the effect of the recent provision in the act of July 14, 1870, (U. S. Stat. for 1870, p. 279, chap. 272,) pointed out, by which, in respect to surveyed and unoffered land, preëmption, proof, and settlement are required to be made within eighteen months after expiration of the time prescribed for filing declaratory statements; such statements to be filed within three months after settlement upon this class of lands, and within three months from the filing of plat of survey in the district land office where settlement is made before survey.

Thirty-fourth. Benefits suggested as resulting from the operations of the homestead laws.

Thirty-fifth. Grants in the interests of education, common schools, colleges, universities, equal to 78,576,802 acres.

Thirty-sixth. Military services. Aggregate granted from the close of the Revolution to the 30th June, 1870, being equal to 73,463,961 acres.

Thirty-seventh. Concessions in aid of internal improvements, giving the status of each and the quantity donated under general and special grants, amounting in the aggregate to 13,853,054.93 acres, exclusive of railroads and wagon roads.

Thirty-eighth. Swamp and overflowed lands; aggregate area selected in place under acts of 1849 and 1850, from commencement of operations to 30th June, 1870, equal to 60,459,868.84 acres; quantity certified as indemnity to end of last fiscal year equals 637,261.81 acres; paid over as cash indemnity from commencement of that principle to end of last fiscal year equals \$728,491 16.

Thirty-ninth. Sketch of the mineral resources of the United States.

Fortieth. Operations of the mining act shown, with mode of proceeding to obtain title to mines of gold, silver, cinnabar, and copper, as also to placer claims.

Forty-first. Railway and wagon-road grants; results presented.

Forty-second. Town sites; showing the operations under congressional legislation in this respect as to urban settlements.

Forty-third. California titles under Spanish and Mexican grants; also as to donations in Oregon and Washington, inaugurated in the early history of that region to promote settlement.

Forty-fourth. The land ledger system adopted in the General Land Office at an early period, whereby, in condensed form, the whole history of the disposal of all tracts from the foundation of the Government is shown to latest dates.

Forty-fifth. Adaptation of public domain to special branches of agricultural productions.

Forty-sixth. Paper on tea culture accompanying annual report.

Forty-seventh. Also on silk culture.

Forty-eighth. Closing chapter, illustrating the influence of the public land system upon the development of our resources, especially upon our domestic and foreign trade.

Forty-ninth. The annual report, besides the papers on tea culture and silk culture, is accompanied by separate reports from the surveyors general, with tabular statements exhibiting the disposal of the public lands and embracing the details and aggregates. Maps have been prepared, subject to order, indicating the progress of surveys in the public land States and Territories. With the report there are, also, instructions as to the mode of obtaining title under the various laws of Congress to agricultural and mineral lands. Special communications from scientific gentlemen, and a map showing the route of trade from an early period to recent dates. Our separate, or connected map, prepared under joint resolution approved January 6, 1863, (12 U. S. Stat., p. 622,) accompanies this annual report.

Respectfully submitted.

JOS. S. WILSON,
Commissioner General Land Office.

THE HONORABLE SECRETARY OF THE INTERIOR.

REPORT OF THE COMMISSIONER OF PENSIONS.

DEPARTMENT OF THE INTERIOR,
Pension Office, Washington, D. C., October 31, 1870.

SIR: I have the honor to submit the following report of the transactions of this Bureau for the past fiscal year:

ARMY PENSIONS.

During the past fiscal year there were examined and allowed 5,572 original applications for invalid pensions of soldiers, at an annual aggregate of \$348,943 25, and 3,352 applications for increase pension of invalid soldiers, at an annual aggregate of \$174,021 30. During the same period, 12,340 original pensions to widows, orphans, and dependent relatives of soldiers were allowed, at an annual aggregate of \$1,547,174 75, and 3,085 applications of the same class for increase of pension were also admitted, at an annual aggregate of \$114,167 71. The total number of claims admitted, original and increase, during the year, was 24,349, and the yearly amount of pension thus granted was \$2,184,307 21.

On the 30th of June 1870, there were on the rolls 86,187 invalid army pensioners, whose yearly pensions amounted to \$7,655,749 52, and 109,552 widows, orphans, and dependent relatives of soldiers, whose yearly pensions amounted to \$14,224,664 33, making a total aggregate of army pensioners of 195,739, at a total annual aggregate of \$21,880,413 85.

The whole amount paid, during the last fiscal year, to invalid army pensioners, was \$9,003,913 93, and to widows, orphans, and dependent relatives, \$18,328,306 97, making a total of \$27,332,220 90, which amount includes the expenses of all the disbursing agencies.

NAVY PENSIONERS.

During the same period there were admitted 149 original applications for invalid navy pensions, at an annual aggregate of \$13,038; 88 applications for increase pensions to navy invalids, at an annual aggregate of \$3,923; 160 original applications of widows, orphans, and dependent relatives of those who died of wounds received or disease contracted in the naval service, at an annual aggregate of \$24,000; and 20 pensions of the same class were increased, at an annual aggregate of \$1,890.

On the 30th of June, 1870, there were 1,334 invalid navy pensioners on the rolls, at an annual aggregate of \$118,726 25, and 1,613 widows, orphans, and dependent relatives, at an annual aggregate of \$261,060, making the total number of navy pensioners then on the rolls 2,947, at a total annual aggregate of \$379,786 29.

The amount paid during the fiscal year ending June 30, 1870, to navy pensioners was: to invalids, \$133,448 50; to widows, orphans, and dependent relatives, \$315,142 41, making a total of \$448,590 91.

PENSIONERS OF THE REVOLUTIONARY WAR.

At the date of the last annual report there were upon the pension rolls 887 widows of the revolutionary war. This number had, on the 30th of June, 1870, by death, and by the operation of the third section of the pension act of July 27, 1868, been reduced to 727. On account of the small number of deaths reported in late preceding years as having occurred among these aged pensioners, this office has made diligent

efforts, since last report, to obtain many facts pertaining to the condition and situation of these beneficiaries of the Government. With this view circulars were sent to the postmasters at the places of the last reported residences of each of these pensioners, making the inquiry, if such pensioner was living on the 1st day of January, 1870, with whom, her age, physical condition and pecuniary circumstances. These circulars have elicited 689 responses, reporting 495 living on the 1st day of January, 1870, 58 as having died during the year 1869, and 136 deaths during previous years, the exact date of which had not been ascertained by this office. Some of the remaining circulars have been returned by the postmasters, with report that no such person lived within the delivery of their office, while from others nothing has been heard. Fifteen are reported as one hundred years of age and over, and living January 1, 1870; 113 are over ninety years of age; 175 are over eighty; 131 are over seventy; 51 are over sixty; 11 are over fifty; and two, Rachel Hyatt, widow of John, Factoryville, Tioga County, New York, and Louisa Porterfield, widow of Richard, Knoxville, Tennessee, are between forty and fifty years of age; of Mrs. Porterfield, the correspondent says: "The neighbors say she is forty or forty-five years of age, strong and able-bodied;" 207 are reported as being in good health; 2 as blind, and 2 are inmates of almshouses.

PENSIONERS OF OTHER WARS PRIOR TO 1861.

There are now on the pension rolls 1,286 widows and children of soldiers who served in the wars subsequent to the Revolution and prior to 1861, a decrease of 12 since the last annual report of this office.

NUMBER OF PENSIONERS ADDED TO THE ROLLS.

During the year there were added to the number of pensioners of all classes, 18,221.

TOTAL NUMBER OF PENSIONERS ON ROLLS.

The total number of invalid army and navy pensioners on the rolls on the 30th of June, 1870, was 87,521, and of widows, orphans, and dependent relatives, 111,165; making a total aggregate of pensioners of all classes of 198,686.

YEARLY AMOUNT ADDED TO THE ROLLS.

The yearly amount of pension added to the rolls was \$2,227,158 01 as follows:

Army invalids, \$522,964 55; army widows, orphans, and dependent relatives, \$1,661,342 46; navy invalids, \$16,961; navy widows, orphans, and dependent relatives \$25,890.

TOTAL AMOUNT PAID FOR PENSIONS.

The total amount paid to pensioners during the last fiscal year, including the expenses of the several agencies, was \$27,780,811 81, being \$642,072 27 less than was paid for the same purpose during the fiscal year ending June 30, 1869, notwithstanding the fact that there were 10,723 more pensioners on the rolls during the last year than during the year preceding. This result has been attained by a just and equitable revision of the pension rolls, with the aid of the pension agents and special agents of this office, which has disclosed many cases in

which pensions should be stopped or reduced; a thorough investigation of the invalid claims by the medical officers connected with the Bureau; a searching scrutiny into the merits of all claims before admission, especially in the questionable cases involving large amounts of arrears; and the cessation of payments to minors who have attained the age of sixteen years, or died, during the year.

BOUNTY LAND.

There were 1,758 bounty land warrants, for various denominations, aggregating 277,200 acres, issued during the past year, being an excess of 108 warrants over the number issued during the year previous.

EXHIBIT OF BUSINESS DONE IN THE BUREAU.

At the commencement of the year ending June 30, 1870, there were on file in this office 65,234 applications for pensions. There were received during the year 35,322 applications, 5,711 less than during the previous year, and there were 29,791 disposed of during the same period, leaving 70,765 applications still pending—

FRAUDS AND SPECIAL INVESTIGATIONS.

Soon after assuming the duties of my present position I became satisfied that a great number of fraudulent claims upon the Pension Office had been made, many of which had been allowed and paid, and others were still pending. Not a few of these claims were based upon applications the signatures of claimants or witnesses in which are forged, and supported by false affidavits; and there were also claims on the ground of dependence, the claimants in which were for the most part never dependent. These were frauds upon the Government alone. The attention of this office has been called to another class of cases, which are not wholly fraudulent nor indeed without merit when properly presented. But by reason of the large fees demanded by, and promised to, the parties prosecuting the same of one-fourth, one-third, and even one-half of the amount collected when the claim was allowed, the testimony in support of these applications has distorted and perverted the facts so as to magnify the character of the claim upon the Government. Here was not only fraud upon the Government, but extortion and fraud upon the pensioners also.

This office has applied the limited means placed at its disposal for the investigation of frauds and attempted frauds upon the Bureau with the following results:

Pensions of invalids dropped under biennial examination of 1869.....	\$44,854
Pensions of invalids reduced under bienial examination of 1869.....	83,784
Pensions of invalids dropped by special order of the office.	21,888
Pensions of invalids reduced by special order of the office.	5,616
Pensions of others dropped by special order of the office..	10,920
Total annual amount.	<u>\$167,062</u>

The sum of \$20,103 44 was drawn through fraud by widows who had remarried. Nearly the whole of this sum has been returned to the Government by means of the investigations of this office.

The sum of \$6,122 56 was reported by pensioners as retained by attorneys in excess of legal fees, a large proportion of which has been restored to the pensioners through this office.

For violation of the twelfth and thirteenth sections of the pension act of July 4, 1864, regulating fees of attorneys, by charging exorbitant and illegal fees, and by forging vouchers and other papers in pension cases, 40 attorneys have been arrested, 35 of whom have been indicted, 18 convicted, 11 acquitted, 3 are fugitives, and the cases of 8 were pending at the close of the fiscal year. During the same time 65 pensioners have been arrested for fraud, 42 of whom have been indicted, 22 convicted, 9 acquitted, 4 escaped, and the cases of 30 were pending at the close of the fiscal year.

From the 1st of September, 1869, to the 30th of June, 1870, 10,075 claims were acted upon in the office of the Medical Referee of this Bureau, 8,267 were approved, and 1,808 rejected; 1,963 admitted claims were sent from said office to special agents for investigation.

COLORED PENSIONERS.

In view of frauds and attempts at fraud perpetrated upon colored pensioners and applicants for pension in Alabama, Mississippi and Tennessee, in September 1869 I sent a commission from this office to investigate the same. They examined and reported upon 750 cases, and their investigations disclosed an amount of systematic extortion and fraud upon the ignorant pensioners and applicants there resident, and upon the Government, unparalleled in the experience of this office. To secure justice to these claimants, and protect the Government against fraud, such rules and regulations have been adopted and as the exigencies demanded.

I am, sir, very respectfully, your obedient servant,

H. VAN AERNAM,
Commissioner.

Hon. J. D. Cox,
Secretary of the Interior.

REPORT OF THE COMMISSIONER OF INDIAN AFFAIRS.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington City, D. C., October 31, 1870.

SIR: Since the date of the last annual report of this office, our relations with the various Indian tribes have been as favorable as could be expected; no serious outbreaks or demonstrations of hostility, threatening to involve any tribe in a war with the Government, have occurred, and it may be truly asserted that quiet has generally prevailed among them. The exceptions, I am pleased to observe, are very few, and with these the prospect is, that by judicious management, a more hopeful and promising condition of affairs will exist in the future. Those with whom we have had, perhaps, the greatest trouble are the Piegan Indians, a band of the Blackfeet nation, who range in Montana and across into the British possessions. It is, without doubt, true, that members of the Blackfeet, in the summer and autumn of the past year, had been guilty of frequent depredations upon the property of citizens of Montana, and had committed several murders. Excited and indig-

nant, the citizens of the Territory demanded that they should be allowed the privilege of organizing an armed party to punish the offenders. This demand, for various reasons, could not with propriety be acceded to; but in order to afford them protection against the marauders, the small military force then in Montana, upon representations made to the War Department of the exigency of the case, was largely increased, and in the winter following a campaign was undertaken against them, but principally against the Piegan band of the nation, who were, it seems, the greatest offending parties. The command, which was under Brevet Lieutenant Colonel E. M. Baker, of the United States Cavalry, attacked a camp of this band—Red Horn being their chief—on the 23d of January last, on the Marias River, the result of which was the killing of 173 of their number, among whom were, it is reported, many women and children. As the conduct of the military on this occasion has been severely animadverted upon by a part of the public press, and by persons in an official capacity, as well as by private individuals, it is but just to the officer in command that his version or statement of the matter should be received and impartially considered. He remarks, in a report to General Sherman, that of the number killed, 120 were able-bodied men, and 53 women and children; that of captives, afterward released, there were 140 women and children; and he declares his belief that every effort was made by his officers and men to save the non-combatants, and that the killing of the women and children was accidental or unavoidable. Although the consequences were deplorable, yet they were effectual in completely subduing the Indians, and the entire nation has since not only been quiet, but even solicitous to enter into arrangements for permanent peace and good behavior in the future. Added to this trouble, brought upon themselves by their evil doings, there was, at the same time, raging among them the small-pox, by which great numbers were swept away, and much suffering superinduced. This dreaded scourge not only affected the Blackfeet, but prevailed alarmingly among the Assinaboine, Gros Ventre, and River Crow tribes, on the Missouri River, below Benton. In this connection I would remark that the Department has been active in causing the prompt vaccination of all the Indian tribes, to the extent of the means provided for the purpose by Congress, and it is hoped by this action that a calamity so disastrous as that which has befallen some of the tribes will not soon occur again.

As usual, difficulties were apprehended early in the past spring with many of the wild Indians of the plains, particularly with those who had hitherto refused to come within the reservations provided as homes for them. Of the great family of the Sioux, numbering at least 25,000 souls, about two-thirds had been induced to locate at or near the agencies established on the Missouri River within the bounds of their reservation, and were receiving presents of goods and subsistence from the Government, comparatively contented and friendly. The remainder of them, principally under the leadership of the somewhat notorious chief "Red Cloud," continued to roam over and occupy the northeastern part of Wyoming Territory and Northwestern Dakota, a region known as that of the Powder River and Big Horn Valley. They were to a great extent disaffected, and claimed the right to hold and control that entire country; but notwithstanding the attitude assumed by them, they have up to this time as a body remained as quiet as could be expected under the circumstances, a few murders and depredations only being charged against some of the lawless and ungovernable among them. The wonder is that we have not another Indian war on hand, considering the provocation given thereto by an ill-timed, if not an injudicious, move-

ment on the part of certain citizens, who early last spring organized an association in Wyoming Territory under the name of the "Big Horn mining expedition,"—its avowed object being the exploration of the country forming the northern portion of that Territory. The project naturally very much excited the Indians in that section, and fears were entertained that a conflict would follow between them and the whites, should it be carried into effect. To avoid all apprehensions of trouble on this account the authorities of the Government properly forbade the starting of the expedition; and, happily, about this time "Red Cloud," as the principal leader of the disaffected portion of the Sioux nation, made application to visit Washington for a conference with the President in reference to the position and wishes of his people. Permission being given, he visited this city in May last, accompanied by sixteen of his chiefs and braves, under the escort of General John E. Smith, of the Army, who was detailed for that purpose by the War Department. Without repeating the complaints made by these Indians, and the explanations they received of the intentions of the Government toward them, it is sufficient to say that, upon the return home of the party, "Red Cloud" became a most ardent and determined friend of peace in that country, and there is reason to believe that he is exercising a good influence among those who are inclined to hostilities against the whites.

In consequence of the organization referred to, a slight disturbance occurred in the Sweetwater mining district of Wyoming Territory, in which a small number of whites and Indians were killed; but the difficulties between the parties were ascertained to have been caused by roving and irresponsible bands, and were not the result of any general organization of the Indians for purposes of mischief or outrage; a band of Arapahoes are charged to have been the offenders in this case, but the charge has not been satisfactorily sustained.

The Utes of Colorado and New Mexico Territories are also among the tribes with whom our relations are not as favorable as could be desired; they have always been dissatisfied with the treaty concluded with them March 2, 1868. Especially is this the case with those bands that reside in New Mexico. Every proper effort has been made to induce said bands to move upon the reservation set apart in Colorado for their homes by the treaty, but to no avail. The Department has adopted the rule that the payment of the annuities due under said treaty shall only be made to the Indians upon their new reservation, but even this is ineffectual to induce the New Mexico bands to remove; they decline to go there for their presents, greatly as they need them, and insist that they shall be given to them at their old homes in New Mexico. The Department having exhausted its persuasive power to incline them to a cheerful compliance with their treaty stipulations in this respect, without avail, I respectfully recommend that appropriate legislation be asked of Congress to relieve the Department and the Indians from the unpleasant dilemma in which both are involved, and that authority be given to aggregate the bands in question in some district in New Mexico which will be satisfactory to them.

Many of the Mogollon, Mimbres, and Mescalero bands of Apaches, in the Territory of New Mexico, that have for years caused so much trouble to the citizens of that Territory, are at present well disposed, but few complaints being made against them; much suffering, however, prevails because of their great destitution of clothing and food. Unless they are amply provided for in these respects and placed upon a reservation, it is quite probable they will be compelled to supply their wants and prevent starvation by depredating upon the property of the whites,

and they may become entirely hostile in their relations to the Government. The only tribe in New Mexico now located upon a reservation, and provided with means by which a support may be obtained, is the Navajo; and although I do not recommend that treaties be made with the Apaches and the several bands of Utes, heretofore noticed, giving them homes and annuities, as in the case of the Navajoes, yet I would present for the consideration of Congress the importance of these bands being properly cared for, and of the necessity of annual appropriations of money adequate for the purpose. As soon as practicable they should be placed upon a reservation, and furnished with whatever may be required to enable them to become self-sustaining.

Serious fears were also felt in the early spring that the Cheyennes and Arapahoës, as well as the Kiowas and Comanches, in the southwest of what is called the "Indian Territory," would take to the war-path and cause much trouble. A large proportion of the Cheyennes did leave the agency, and, it is reported, many of them, perhaps belonging entirely to the "Dog Soldier" band, with some Sioux, who have been associated with that band for years, called a council with the Kiowas and Comanches to effect a combination with them against the whites, but they evidently were unsuccessful in their purpose, for no combined demonstrations of hostility have been made by them up to this time. Most of the Arapahoës are upon their reservation, and it is probable that the Cheyennes will come in and join them. They are dissatisfied with the present location of their agency, and have expressed a desire that it shall be located about sixty miles further north, where they could settle and be much nearer the buffalo.

Against the Kiowas and Comanches there is just cause of serious complaint, and I think that severe punishment should be meted out to them for the crimes they have committed in the face of their solemn treaty obligations, and the forbearance and kindness of the Government. They have been guilty the past year of several murders and outrages in the Indian Territory, and even within the bounds of their own reservation, and have raided time and again into Texas, killing citizens thereof, capturing women and children, and stealing stock; and have set at defiance the military—audaciously inviting them out to battle! The Indian Bureau is wholly powerless to prevent these raids. The spirit that prompts them is vicious and incorrigible, and should be dealt with summarily. These Indians claim to be friendly, and assign as a reason for their wicked deeds and cruelty against the citizens of Texas that the people thereof are not a part of the United States, and hence they believe, so it is said, a war upon them to be perfectly proper. In my judgment they know better, and, if they do not, such lessons should be taught them as will effectually deter them from a renewal of their crimes. I know of no way to check this marauding spirit except to place all of them under the control of the military power, until they shall have learned to be friendly with all whites, and shall have satisfactorily shown that they are determined in good faith to keep their solemn promises of peace, and to respect the persons and property of all citizens. I would recommend the establishment of a cordon of military posts on the line of the frontier of Texas from the southern boundary of the Chickasaw country westwardly, as far as may be necessary to prevent their raiding into said State.

Since my report of last year, the Osages have been in great trouble in regard to the encroachments of the whites upon their lands, but the difficulties are likely soon to be removed and matters arranged to the satisfaction both of themselves and the settlers. The presentation to

the Osages of the act of Congress requiring the President to obtain their consent to vacate the lands they own in Kansas, and remove to the Indian Territory, was intrusted to Messrs. J. V. Farwell, J. D. Lang, and Vincent Colyer, of the special Indian commission, who succeeded in accomplishing the object of their mission; and it is confidently expected that there will be but little difficulty in fully executing the provisions of said act. Owing to the lateness of the season when this action was taken by the Osages, the survey of their lands has not yet been commenced; hence there will necessarily be some delay before money can be realized from the proceeds of the sale thereof. In view of this, Congress should provide more funds than have been appropriated, for their maintenance and establishment in their new home, until the Department is put in a position to aid them, by the application of moneys realized from such sale.

No steps have yet been taken for the removal of the stray bands of Pottawatomies and Winnebagoes from Wisconsin, except to ascertain from their brethren in Nebraska and the Indian Territory upon what terms they will receive them into their communities. These Indians did not petition Congress to be removed, and their agent now reports they are very much averse to leaving their present homes. Many of them are reported as having bought land which they cultivate, while others, not able to buy, are leasing lands. They form quite a laboring element among the whites, who derive from them, in this respect, considerable benefit, as also by their trade in berries, maple sugar, and other things. Agent Griffith remarks in his annual report, among the documents herewith, that the legislature of Wisconsin, at its last session, entertained the plan of locating these Indians upon the Eau Claire River, in the northwestern part of the State, where there are but few whites. If this were practicable, it would perhaps be better to so establish them than to remove them against their wishes—the probability being that some would evade the efforts of the Department to remove them, and others, after being removed, would doubtless find their way back again.

The various Indian tribes in the Indian Territory were, the past summer, notified, through the proper superintendent of Indian affairs, that Congress had made an appropriation to pay the expenses of the general council provided for in the treaties with the Cherokee and other tribes, concluded in 1866. Representatives of several tribes accordingly met at Okmulgee, in the Creek country, in the latter part of September last; but as all the tribes were not represented, an adjournment until the 5th of December next was agreed upon. The action of the council, so far as any policy is indicated by its proceedings, augurs very favorable results. Resolutions were passed advising the Cheyennes, Arapahoes, Kiowas, Comanches, and other nomadic tribes in the Territory, to entertain the most friendly relations to the people of the United States, and inviting them to send delegates to be present at and participate in the proceedings of the adjourned council in December. Too much importance cannot be given to the consideration of a measure which promises to be of incalculable benefit to them and their posterity. Should the council be conducted on the principles contemplated in the treaties of 1866, it cannot but contribute to the advancement, in all that constitutes a prosperous and happy people, of all the tribes now inhabiting the Indian Territory, and be potent in its influences upon tribes in more remote sections of our country. One important result will be, the establishment of more intimate relations with each other, the recognition of the bonds of a common brotherhood, and perhaps a confederation which

will be tantamount to and be accepted by Congress as a territorial government for the Indian Territory.

A small appropriation was made at the last session of Congress for the return of the Kickapoo and other stray bands of Indians, now living in the republic of Mexico, not far from the southwestern frontier of Texas, to their former homes in the United States. The Department will take such steps as may be deemed most practicable for their early return, and when this shall have been accomplished there will be removed an evil of which the citizens of Texas living on the Rio Grande frontier have so long and justly complained. Perhaps the most suitable home for these Indians can be found in what is known as the "Leased District," west of the Chickasaw country, from about which section most of them emigrated to Mexico more than twenty years ago. It will be necessary, upon their being established in a new home, for Congress to make provision for their support until they can be put in the way of sustaining themselves.

No appreciable progress has been made in taming or conciliating the wild and warlike Apaches of Arizona. Their thirst for rapine and blood seems unquenchable and unconquerable. It is claimed by persons who doubtless are cognizant of the fact, that the Roman Catholic clergy are the only class of men they will not molest and to whose counsels alone they will listen. If this be true, it is certainly worthy of consideration whether the encouragement of the government should not be given to the clergy of that faith, who may be disposed to befriend this people, to enter upon the work and use their best endeavors to subdue the untamed and warlike nature of these Apaches, and to induce them to abandon their roving and predatory habits, to settle down in some industrial pursuit, and to enter into and maintain friendly relations with the whites. We have reports from the military in Arizona, and from Honorable A. P. K. Safford, governor thereof, that the Coyotereros, or White Mountain Apaches, 1,400 or 1,500 in number, have expressed their desire to be at peace and placed upon a reservation under the protection of the Government; and the opinion is entertained that if the Indian Bureau would take charge of them by a competent agent, and furnish them with seeds and agricultural implements, their civilization would be ultimately secured. I had the honor, in March last, to suggest that, should the military authorities in Arizona adopt the plan proposed by them, of establishing these Indians upon a reservation in the region mentioned, this office would cooperate with them, and use all the means at its command to further the desired object. Among the accompanying documents to this report, following the report of the superintendent of Indian affairs for Arizona Territory, will be found a communication upon the subject from Governor Safford and Major John Green, United States Army, commanding Camp Ord, Arizona, to which I invite especial attention.

For several years an unpleasant feeling has been growing between the citizens of Arizona and the Pima and Maricopa Indians, who have an extensive reservation upon the Gila River. That this should be so is very much to be regretted, as a serious outbreak on the part of the Indians would tend to almost wholly depopulate Central Arizona. Reports show that during the present year the conduct of the Indians has been more insolent and arrogant than ever. They depredate upon the property of citizens around them whenever it pleases their fancy, and the citizens have no remedy except retaliation or recourse to law, which is seldom undertaken for fear of greater outrages and the enmity of the Indians which might follow in the one case, or the tardy and un-

certain issue in the other. Should the Southern Pacific Railroad ever be constructed, it must, almost of necessity, pass through the Pima and Maricopa reservation, in which event the condition of these Indians will be made much worse than at present. They now complain of being too closely crowded by the white settlements springing up around them, and assert, with great show of truth, that the lands secured to them by a regular Spanish grant have been taken from them without their consent and without any compensation. They are, to some extent, agriculturists and stock-raisers; and, ere they become more dissatisfied and uncontrollable, the question should be definitely determined as to the extension of their reservation, which they insist upon and which the Department has heretofore thought to be justly due to them and recommended should be done. Either this should be accorded, or else ample homesteads in severalty should be permanently secured to them.

But little progress has been made by the Indians for whom the reservation was set apart on the Colorado River; only comparatively a few have ever been at any one time upon it, and it has been impracticable to accomplish, to any considerable extent, the beneficent purposes of the Government in their behalf. The causes of failure are mainly to be found in the aridity of the soil and the attacks of hostile tribes. A better condition of affairs would doubtless exist could a sufficient military force be stationed upon the reserve to protect the well-disposed and to restrain the lawless; and were the irrigating canal, which has been in course of construction for several years, completed and made available to water their dry and sandy fields. There are other Indians in Arizona, concerning whom little is known to the Department; but efforts will be made during the present season by which, it is hoped, reliable information will be obtained in regard to them. An interesting report, the first ever received from an agent of the Department in charge, respecting the Moquis Pueblos, residing in the eastern part of the Territory, is among the documents herewith.

Few reports have reached this office of difficulties between Indians themselves. The Sioux of Dakota, however, seem to be most the belligerent. Since these Indians have ceased their war with the whites, they gratify their thirst for blood by raiding upon weak neighboring tribes, and no argument can induce them to abandon the practice; they will reply thereto, "It is no business of the white man what the Indians do among themselves, so long as they do not disturb or kill the whites." What would be the best course to pursue to remedy this evil, whether to arrest and punish the offenders; to withhold annuities and benefits due them from the Government, or to induce the contending parties to enter into a solemn compact to preserve the peace, is a question of grave consideration for the Department. Some treaties of friendship and good will, made between different tribes, have been strictly observed, while others have been shamefully disregarded. It is to be hoped that one entered into by several bands of the Sioux with the Arickarees, Gros Ventres, and Mandans last August, will be faithfully kept, and that the declaration of peace and purpose of just dealings, each with the other, therein made and prepared, may be truly lasting and productive of good.

It is worthy of notice that while the greater number of tribes still adhere to the customs and manner of life of their fathers, others, under the practical workings of that civilization to which their minds have been directed by the efforts of the Government and the philanthropist, are giving encouraging evidence of the practicability of their elevation to the dignity of citizenship, and that they will sustain creditably that re-

lation whenever they shall assume it. In the States of Michigan, Wisconsin, Minnesota, and Kansas, are those who have already abandoned their tribal organization, and taken upon themselves the rights and responsibilities of citizens; and there are others prepared for the change. Another indication of progress in this direction is that many are asking for the survey of their reservation, where it is held in common, and for allotments in severalty, of tracts of eighty or more acres to each, and in some cases the work of surveying is being effected with this object in view. The policy of giving to every Indian a home that he can call his own is a wise one, as it induces a strong incentive to him to labor and make every effort in his power to better his condition. By the adoption, generally, of this plan on the part of the Government, the Indians would be more rapidly advanced in civilization than they would if the policy of allowing them to hold their land in common were continued.

The progress of the Indians during the past year in education, in agricultural, and general industrial pursuits, is not very marked, yet there is reason to believe that it has been steady. There has been an increased willingness to engage in the cultivation of the soil, and a desire to have schools established among those destitute of them; and, for these reasons, additional assistance and facilities to carry on farming operations and schools should be furnished to those who have been to some extent heretofore provided for.

The superintendents and agents of this Bureau have generally discharged their duties and managed the interests committed to their trust with satisfaction to the Department. Of those belonging to the "Society of Friends," I may confidently say, that their course and policy has been highly promotive of the welfare and happiness of the tribes under their charge; even at the agencies for the Cheyennes, Arapahoes, Kiowas, and Comanches—tribes that have been so difficult to control for years past—where the least possible good could be expected to be accomplished, a commendable prudence and energy has been displayed, and as favorable a condition of affairs exists there as could be reasonably expected. The military gentlemen, also, who last year were detailed for duty as Indian agents by direction of the President, have faithfully, and with much credit to themselves, efficiently managed the trust devolved upon them, and it is to be regretted that they cannot be continued in the service.

The presidential plan of inaugurating a greater degree of honesty in our intercourse with the Indians, by the appointment of "Friends" to some of the superintendencies and agencies, has proven such a success that, when Congress, at its last session, prohibited the employment of army officers in any civil capacity, thereby practically relieving those who were detailed for duty as Indian superintendents and agents, the President at once determined still further to carry out the principle by inviting other religious denominations of the country to engage in the great work of civilizing the Indians. By his direction a correspondence was opened with different missionary associations explaining to them the purpose and desire of the Government, to combine with the material progress of the Indian race, means for their moral and intellectual improvement, and, if they concurred in the plan, asking them to designate the names of such persons, possessing good Christian characters, as would be willing to accept the position and discharge the duties of Indian agents, and who would, at the same time, lend their personal and official influence to such educational and missionary or religious enterprises as the societies might undertake. The plan is obviously a

wise and humane one. Under a political management for a long series of years, and the expenditure of large sums of money annually, the Indians made but little progress toward that healthy Christian civilization in which are embraced the elements of material wealth and intellectual and moral development. Indeed, it has seemed to the humanitarian, that the more the Indian was brought into contact with modern civilization the more degraded he became, learning only its vices and adopting none of its virtues. Not, therefore, as a dernier resort to save a dying race, but from the highest moral conviction of Christian humanity, the President wisely determined to invoke the coöperation of the entire religious element of the country, to help, by their labors and counsels, to bring about and produce the greatest amount of good from the expenditure of the munificent annual appropriation of money by Congress, for the civilization and Christianization of the Indian race. Most of the religious organizations promptly responded, heartily indorsing the proposition and agreeing to assist in its execution. Men of their designation have been appointed agents, some of whom have gone out to their respective agencies, while others are preparing to do so. The prayers of all good Christians will go with them, that they may succeed in the great work for which they have been specially chosen; and I earnestly hope that the country generally will approve the course adopted, and give it all the support necessary.

The rapid construction of railroads branching into every section of the country is a matter of very serious import to the Indians generally. The grants of lands given by Congress in aid of roads in the West must inevitably and unavoidably interfere with many of the Indian reservations. A diversity of opinion exists among the various tribes of the Indian Territory by reason of the projected roads north and south and east and west through that Territory. Other roads in the South, aiming to reach the Pacific, will, of necessity, pass through immense tracts of Indian country, or country claimed by them. So with the Northern Pacific, which road must necessarily pass through several reservations, the quiet possession of which is guaranteed to the Indians by the solemn faith of treaties. Other roads are projected through the great Sioux district. The Sioux now are the most powerful and war-like tribe of Indians in the United States, and their persistent and determined opposition to railroads is well known. Any attempt, therefore, to penetrate their country in this way must produce a collision. These are matters which should receive the attention of the authorities of the Government and of Congress, and such steps be early taken as will avoid all difficulty.

As the annual reports of the various superintendents and agents of the Department embrace a mass of information in regard to the location, condition, and circumstances worthy of note, respecting the tribes under their charge, I omit on this occasion the usual detail of particulars in relation to each superintendency and agency, and refer to those reports, which are herewith appended.

Very respectfully, your obedient servant,

E. S. PARKER,
Commissioner.

Hon. J. D. Cox,
Secretary of the Interior.

PAPERS ACCOMPANYING THE REPORT OF THE COMMISSIONER OF INDIAN AFFAIRS.

WASHINGTON SUPERINTENDENCY.

- No. 1.—Annual report of Major Samuel Ross, United States Army, superintendent.
- No. 2.—Annual report of Lieutenant James M. Smith, United States Army, agent, Yakima agency.
- No. 3.—Annual report of Lieutenant J. W. Kelley, United States Army, agent, S'Klallam agency.
- No. 4.—Annual report of Lieutenant J. H. Hays, United States Army, agent, Neah Bay agency.
- No. 5.—Annual report of Lieutenant George D. Hill, United States Army, agent, Tulalip agency.
- No. 6.—Annual report of C. C. Chironse, school teacher, Tulalip agency.
- No. 7.—Annual report of C. C. Finkbouser, in charge of Lummi reservation.
- No. 8.—Annual report of A. H. Lowe, in charge of Puyallup reservation.
- No. 9.—Annual report of N. S. Pierce, in charge of Chehalis reservation.
- No. 10.—Annual report of Lieutenant T. H. Hay, United States Army, agent, Quinault sub-agency.

OREGON SUPERINTENDENCY.

- No. 11.—Annual report of A. B. Meacham, superintendent.
- No. 12.—Annual report of Lieutenant W. H. Boyle, United States Army, agent, Umatilla agency.
- No. 13.—Annual report of G. A. Vermeesch, teacher at Umatilla agency.
- No. 14.—Annual report of Lieutenant W. W. Mitchell, United States Army, agent, Warm Springs agency.
- No. 15.—Annual report of J. Thomas, teacher at Warm Springs agency.
- No. 16.—Annual report of Charles Lafollett, agent, Grande Ronde agency.
- No. 17.—Annual report of W. R. Dunbar, teacher at Grande Ronde agency.
- No. 18.—Annual report of E. A. Dunbar, teacher at Grande Ronde agency.
- No. 19.—Annual report of Lieutenant F. W. Battey, United States Army, agent, Alsea sub-agency.
- No. 20.—Annual report of Captain O. C. Knapp, United States Army, agent, Klamath sub-agency.

CALIFORNIA SUPERINTENDENCY.

- No. 21.—Annual report of Brigadier General J. B. McIntosh, United States Army, superintendent.
- No. 22.—Annual report of Lieutenant J. L. Spalding, United States Army, agent, Hoopa Valley reserve.
- No. 23.—Annual report of Captain S. G. Whipple, United States Army, agent, Hoopa Valley reserve.
- No. 24.—Annual report of Lieutenant J. S. Styles, United States Army, agent, Round Valley reserve.
- No. 25.—Annual report of Lieutenant W. H. Andrews, United States Army, agent, Round Valley reserve.
- No. 26.—Annual report of Lieutenant J. H. Purcell, United States Army, agent, Tule River reserve.
- No. 27.—Annual report of John W. Miller, in charge of Tule River reserve.
- No. 28.—Annual report of Lieutenant A. P. Greene, United States Army, agent, Mission Indian agency.

NEVADA SUPERINTENDENCY.

- No. 29.—Annual report of Major H. Douglass, United States Army, superintendent.
- No. 30.—Report of Major H. Douglass, relative to Indians on Truckee River reserve.
- No. 31.—Letter of Major H. Douglass, inclosing letter from a Pah-Ute woman.
- No. 32.—Annual report of Lieutenant J. M. Lee, United States Army, special Indian agent for Nevada.
- No. 33.—Letter of Franklin Campbell, relative to Indians in Nevada.
- No. 34.—Annual report of Captain R. N. Fenton, United States Army, special agent for Pah-Utes.

ARIZONA SUPERINTENDENCY.

- No. 35.—Annual report of Major George L. Andrews, United States Army, superintendent.
- No. 36.—Annual report of Captain F. E. Grossman, United States Army, agent for Pimos and Maricopas.

No. 37.—Annual report of Lieutenant H. Dodt, United States Army, agent, Colorado River agency.

No. 38.—Annual report of Captain A. D. Palmer, United States Army, agent for Moquis Pueblos.

No. 39.—Letter of Governor A. P. K. Safford, relative to Indians in Arizona.

No. 40.—Letter of Major John Greene, United States Army, relative to White Mountain Apaches.

UTAH SUPERINTENDENCY.

No. 41.—Annual report of Major J. E. Tourtellotte, superintendent.

NEW MEXICO SUPERINTENDENCY.

No. 42.—Annual report of Major William Clinton, United States Army, superintendent.

No. 43.—Annual report of Captain F. T. Bennett, United States Army, agent for Navajoes.

No. 44.—Annual report of C. A. Gaston, teacher for Navajoes.

No. 45.—Annual report of Lieutenant J. B. Hanson, United States Army, agent for Utes.

No. 46.—Annual report of Captain W. P. Wilson, United States Army, agent, Cimarron agency.

No. 47.—Annual report of Lieutenant A. G. Hennisee, United States Army, agent for Southern Apaches.

No. 48.—Annual report of Lieutenant C. L. Cooper, United States Army, agent for Southern Apaches.

COLORADO SUPERINTENDENCY.

No. 49.—Annual report of Governor Edward M. McCook, superintendent.

No. 50.—Letter of Governor McCook relative to White River agency.

No. 51.—Letter of J. B. Thompson relative to Southern agency.

No. 52.—Report of Lieutenant C. T. Speer, agent, Southern agency.

WYOMING SUPERINTENDENCY.

No. 53.—Annual report of Governor J. A. Campbell, superintendent.

No. 54.—Annual report of Lieutenant G. W. Fleming, United States Army, agent for Shoshones and Bannacks.

No. 55.—Annual report of J. W. Wham, agent for Shoshones and Bannacks.

IDAHO SUPERINTENDENCY.

No. 56.—Annual report of Colonel De L. Floyd-Jones, United States Army, superintendent.

No. 57.—Annual report of Captain D. M. Sells, United States Army, agent for Nez Percé Indians.

No. 58.—Annual report of C. E. Maynard, superintendent of Nez Percé schools.

No. 59.—Annual report of P. M. Whitman, matron of Nez Percé schools.

No. 60.—Annual report of Lieutenant W. H. Danilson, United States Army, agent for Bannacks and Shoshones.

MONTANA SUPERINTENDENCY.

No. 61.—Annual report of Lieutenant Colonel A. Sully, United States Army, superintendent.

No. 62.—Annual report of Captain A. S. Galbreath, United States Army, agent for Flatheads.

No. 63.—Annual report of Lieutenant George E. Ford, United States Army, agent for Flatheads.

No. 64.—Annual report of W. B. Pease, United States Army, agent for Blackfeet.

No. 65.—Annual report of Lieutenant E. M. Camp, United States Army, agent for Crow Indians.

No. 66.—Annual report of A. S. Reed, agent for Gros Ventres and others.

DAKOTA SUPERINTENDENCY.

No. 67.—Annual report of Governor J. A. Burbank, superintendent.

No. 68.—Annual report of Major J. M. Goodhue, United States Army, agent for Yankton Sioux.

No. 69.—Annual report of J. P. Williamson, missionary for Yankton Sioux.

- No. 70.—Annual report of J. W. Cook, missionary for Yancton Sioux.
 No. 71.—Annual report of Lieutenant W. H. Hugo, United States Army, agent for Poncas.
 No. 72.—Annual report of M. S. Reed, teacher for Poncas.
 No. 73.—Annual report of Lieutenant W. H. French, United States Army, agent, Crow Creek agency.
 No. 74.—Annual report of Captain G. M. Randall, United States Army, agent, Cheyenne Creek agency.
 No. 75.—Annual report of Captain De Witt C. Poole, United States Army, agent for Whetstone agency.
 No. 76.—Annual report of Captain J. A. Hearn, United States Army, agent for Grand River agency.
 No. 77.—Annual report of Captain W. Clifford, United States Army, agent, Upper Missouri agency.
 No. 78.—Annual report of J. W. Daniels, agent, Sisseton agency.

NORTHERN SUPERINTENDENCY.

- No. 79.—Annual report of S. M. Janney, superintendent.
 No. 80.—Annual report of Asa M. Janney, agent for Santee Sioux.
 No. 81.—Annual report of T. S. Williamson, missionary for Santee Sioux.
 No. 82.—Annual report of A. L. Riggs, missionary for Santee Sioux.
 No. 83.—Annual report of H. White, agent for Winnebagoes.
 No. 84.—Annual report of S. Averill, teacher for Winnebagoes.
 No. 85.—Annual report of J. M. Troth, agent for Pawnees.
 No. 86.—Annual report of E. G. Platt, teacher for Pawnees.
 No. 87.—Annual report of Thomas Lightfoot, agent for Iowas and others.
 No. 88.—Annual report of M. B. Lightfoot, teacher for Iowa school.
 No. 89.—Annual report of A. H. Greene, agent for Otoes and Missourias.
 No. 90.—Annual report of S. E. Ely, teacher for Otoe school.
 No. 91.—Annual report of E. Painter, agent for Omahas.
 No. 92.—Annual report of J. Warner, teacher for Omaha school.

CENTRAL SUPERINTENDENCY.

- No. 93.—Annual report of E. Hoag, superintendent.
 No. 94.—Annual report of L. Tatum, agent for Kiowas and others.
 No. 95.—Annual report of B. Darlington, agent for Cheyennes and Arapahoes.
 No. 96.—Annual report of G. Mitchell, special agent, Neosho agency.
 No. 97.—Annual report of T. Miller, agent for Sacs and Foxes.
 No. 98.—Annual report of R. L. Roberts, agent for Shawnees.
 No. 99.—Annual report of James Stanley, agent, Osage River agency.
 No. 100.—Annual report of M. Stubbs, agent for Kaws.
 No. 101.—Annual report of J. H. Morris, agent for Pottawatomies.
 No. 102.—Annual report of J. D. Miller, agent for Kickapoos.

SOUTHERN SUPERINTENDENCY.

- No. 103.—Annual report of Captain J. N. Craig, United States Army, agent for Cherokees.
 No. 104.—Annual report of Captain G. T. Olmstead, United States Army, agent for Choctaws and Chickasaws.
 No. 105.—Annual report of F. Le Flore, superintendent of public schools, Choctaws.
 No. 106.—Annual report of G. D. James, superintendent of Chickasaw schools.
 No. 107.—Annual report of Captain F. A. Field, United States Army, agent for Creeks.
 No. 108.—Annual report of J. H. Perryman, superintendent of Creek schools.
 No. 109.—Annual report of Captain T. A. Baldwin, United States Army, agent for Seminoles.
 No. 110.—Annual report of A. V. Keys, teacher for Seminoles.
 No. 111.—Annual report of J. Lilly, teacher for Seminoles.
 No. 112.—Annual report of H. C. Shock, teacher for Seminoles.

INDEPENDENT AGENCIES.

- No. 113.—Annual report of Lieutenant George Atcheson, United States Army, agent for Chippewas of the Mississippi.
 No. 114.—Annual report of S. G. Wright, teacher for Chippewas of the Mississippi.
 No. 115.—Annual report of Major J. H. Knight, United States Army, agent for Chippewas of Lake Superior.

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purpose of collecting such statistics and facts as shall show the condition and progress of education in the several States and Territories, and of diffusing such information respecting the organization and management of school systems and methods of teaching as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country."

The purpose of the Department was thus clearly stated and its work fully defined in the law establishing it, but the publication of its reports and documents has been on a scale so limited as not to give to the country at large any general knowledge of the amount or utility of the labor performed. The number and variety of applications made to this office for reports, documents, statistics, and educational information of every kind, coming from every section of our country, and from foreign countries, would, I think, convince the most skeptical that there was urgent demand for some such center of information, at least.

The small edition of the only report which had been published by the Department was soon exhausted. No copies remained when I assumed these duties. Much information, including school statistics and discussions of associated topics, at home and abroad, had been collected. A very large share of these collections, of immediate and special value to teachers, had waited at least two years for publication. Previously made familiar, by experience and observation, with the direction of educational inquiries in the country, I have been specially impressed with the national responsibility in regard to them, in my endeavors to answer the correspondence addressed to this office. The extent and variety of answers required compelled the most economical methods, and made it necessary that I should consult the most apparent educational demands, and endeavor to meet them, as far as lay in the capacity of the office.

The inquiries respecting the establishment of and improvements in State, city, university, and technical systems of education, and with regard to various methods of instruction and discipline, sometimes involving the discussion of theories, and the classification and comparison of facts, scattered through all the various countries, and running back to the earliest observations respecting the training and culture of the young, altogether so entirely beyond the clerical ability of the office to answer, soon revealed to me how little those understood the nature or extent of the public demand for the office who unwisely sought to limit or to destroy it. Every mail brought a demand for printed documents, which could only be answered by the information that they were not in existence. Again and again educators and agents of foreign countries applied for statements of the statistics of education in America, which had never been made out, and for the preparation of which the data had never been collected, the nearest approach being the reports on the subject published by foreign governments, prepared by gentlemen who had visited this country, and who had been largely indebted to my predecessor for the materials used.

In our country the attention turned to literacy by the facts brought out in connection with the late war, and the efforts adopted for the restoration of peace, especially the adoption of the nineteenth amendment to the Constitution of the United States, declaring the right to vote and making it in right so nearly universal, revealed the anxiety awakened in the patriotic minds of our people that intelligence and virtue should be at least equally extended and assured. Many sought these various facts as exhibited in the different sections of the country: the ques-

tions cannot be easily characterized: The number of those who can, and of those who cannot, read and write; the ratio of the illiterate to the total population; methods and instrumentalities for awakening an interest in education, and establishing schools in various portions of the South; the bearing of knowledge or ignorance on the well-being of communities and the productiveness of industries.

In the midst of these questions coming up from numerous quarters, the House of Representatives in May passed a resolution inquiring respecting the progress and condition of education in the South. There was still considerable question in Congress as to how far the capacity of the office should be increased, the work becoming enormous for the force at command, while the uncertainty in this respect prevented the laying of any extended plans of operations for the future. Seeking always to attend promptly, as far as possible, to the correspondence, I was compelled to forego all other work for the time to answer the above-named House resolution, entertaining the hope that the publication of the material collected by my predecessor, and of the special report of the facts in the South, would enable me, in a measure, to answer the correspondence with printed matter, and so allow my attention to be turned to the advancement of some general plan of office work. But Congress adjourned without ordering the publication of either of the several reports. Correspondence was, consequently, the only means left to the office by which to meet the demands upon it for information.

Your order, however, for the publication of a circular of information in August gave great relief in this respect. Three thousand copies have been distributed, and the number printed will not supply the demand. Indeed, there has been no form of printed information on educational subjects at my command, neither speeches in Congress, addresses by our educators at their conventions, reports of State and city superintendents, or of universities, colleges, or special schools, but what has been laid under contribution and sent to inquirers in various sections of the country. A very large amount of the journals and other writings of Hon. Horace Mann were presented for gratuitous distribution by Mrs. Mann.*

I took the liberty of suggesting to different State, county, and city superintendents the desirableness of the adoption, by every one, of the plan, already working so well in many places, of making each office of supervision a center for the collection and preservation of works and reports on education and school apparatus, proposing to them and to foreign educators to aid in establishing a system of exchange by which the usefulness of all these aids to education would be greatly extended. In the furtherance of this plan, special aid has been extended by numerous superintendents and teachers, and I have received and sent out thousands of books and pamphlets to inquirers and educators in this and foreign countries. The work is hardly begun, and yet it already gives promise of large and most useful results. Our own country is greatly deficient in these collections of educational aids. There should,

* I take the liberty to give the following extract from a letter recently received from Mrs. Mann, throwing light on the pioneer labors of her distinguished husband and suggestive of encouragement to those now similarly engaged:

"The preparation of the abstracts was an enormous work that took three solid months in the year of long days of labor. The manuscripts from which they were collated stood a pile of three feet in height from the floor, and their writers were often so illiterate that the words ran into each other all across the page and were spelled wrong individually besides; but we learned by degrees to decipher them, and sometimes found that very badly spelled reports were written by very original and intelligent school committee-men who had never subdued our rebellious spelling."

purpose of collecting such statistics and facts as shall show the condition and progress of education in the several States and Territories, and of diffusing such information respecting the organization and management of school systems and methods of teaching as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country."

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and superior instruction, will present a harmony excelled only by that of the spheres; each study, the languages, ancient and modern, and the sciences and arts and industries, will have its place, and all these will be supplemented by the work of the home, the press, the pulpit, the forum, the work shop, the making, the administration, and adjudication of laws, presenting a structure of society penetrated by principles illustrating correctly the relation of the human and the divine; a structure, which wherever it touches human life restrains all its tendencies to vice, crime, and degradation, and inspires it to efforts of intelligence and virtue.

A report on American education, based on this idea, though only what should have been begun at the organization of the nation, and grown with its growth and by its annual issues inspired the improvement of every human condition in the land, having been so long neglected, when first suggested to many educators, naturally would not be understood, and would be compelled to wait somewhat for universal coöperation. Accordingly, some time elapsed before the inquiries of the Bureau began to receive from every quarter the answers desired. The last two months, however, have brought together far more material than the working force of the office could handle satisfactorily. A somewhat careful count and estimate of the different persons who have contributed material by correspondence or sending pamphlets, places the number above four thousand. Not attempting to be historical, it has some data extending over a period of several years, and in a few cases reaching back to the origin of the State or city systems, affording considerable aid for a comparison of the past with the present.

The papers on special topics have been introduced to meet some special necessity pressed upon my attention, or to turn the inquiries of educators in directions where they may find immediate and advantageous results. The names of the writers are attached. Each has had some peculiar opportunity or advantage for the preparation of the paper presented. In each case this office has endeavored to furnish the statistics, and to be as sure as possible of their correctness. In the preparation of these papers the writers have had perfect freedom in the expression of their own opinions; and I have preferred that their different views should be thus presented, in order to afford opportunity for comparison, by which the most satisfactory conclusions may be reached.

ABSTRACTS OF STATE AND CITY SCHOOL REPORTS.

These abstracts constitute a large share of the accompanying papers. They present the most correct view of what is done and what is not done in the various State systems of education. The diversity is very great. The particulars in which there is complete similarity are few. There is hardly any topic in the wide range of educational subjects which is not treated, not merely in theory, but generally in connection with some illustrative fact. The facts presented are, as they purport to be, abstracts of the reports in hand, seldom modified by more recent information from other sources. The only exceptions are in the facts drawn from the work done in the South by the Freedmen's Bureau, the Peabody fund, and the benevolent associations. How much these endeavors have been needed, and how much they have accomplished, cannot be better understood than by a study of these abstracts.

Looking exclusively at the favorable results presented, they are well calculated to inspire American pride. In no country in the world, it is believed, is there a larger actual expenditure of money for purposes of

education. Certainly none offers a parallel in private munificence,* or in the excellence of its school buildings, as they are to be found in some of our communities. But looking at the amount accomplished by the outlay, it will be observed that great private munificence and public expenditure are by no means universal throughout the country. They operate in this large degree only in sections. In others, there is a corresponding inadequacy of expenditure and of result. Should the same degree of endeavor and expense become universal in all the States, cities, and country districts, how vast, compared with other countries, how satisfactory, would be the result to American patriotism. Comparing the effort made, the money expended, and the amount accomplished, with similar particulars, in the Prussian system, theirs will undoubtedly be found to excel the American in economy, in the universality of intelligence, in the training of teachers, and in the ratio of highly trained, scientific, and literary minds to the whole population.

President Folwell, of the University of Minnesota, recently observed:

Talk as glibly and proudly as we may of our educational systems, we have not yet, in any of our States, more than the beginning of an orderly, catholic, and comprehensive system. With a world-wide fame for our free schools, with civil institutions not merely tolerating, but presupposing and demanding, the coördination of educational agencies, we Americans, accustomed as we are to organize and coöperate, stand far behind many European nations in this matter of the organization of education in general.

Prussia, France, Switzerland, Italy, Greece, have for many years had all their schools, colleges, and universities, public and private, so coördinated and subordinated as to form harmonious systems.

Preserving all the excellencies of what has been accomplished, American educators should bring under view all facts which will help their work forward in our unceasing struggle toward perfection. The reports of States and cities and of this office should be held responsible to the public for a fair and full presentation of those facts. They should constitute the documents to be studied for the philosophical guidance of millions of educators. Is it not fair to expect that the greatest stranger taking up every class of these reports should be able to obtain a correct idea of educational institutions of all grades within the territory covered by the report, be it city, county, State, or nation? Some State and city reports are beginning to do this; many yet do not attempt it.

Taking the Massachusetts report as an illustration: it is very voluminous and full of interest, both in its account of the origin and history of the public schools and in its minute picture of their operations at the present day, with extracts from the local, district, and town reports, showing how widespread is the active interest felt in the public schools by the citizens; still there remains the fact that a stranger, looking to this report for his knowledge of the position of Massachusetts in the educational world, can ascertain almost nothing with regard to any institution of higher learning in the State, such as Cambridge, Amherst, Williams, and Tufts. Her technical and professional schools are all ignored. The statistics of the incorporated academies are now included. Neither, in that report, can any correct idea be obtained of the marvelous work done in the State by her various institutions established for the benefit of those suffering from the several physical, mental, and moral abnormal conditions of her sons and daughters, her schools for idiots, for juvenile offenders, for deaf and dumb and blind, and her asylums for the insane.

* It was my intention to note the contributions from private sources to educational purposes during the year, in the way of endowment and otherwise, so as to have given the approximate amount; but I have found it impossible to do so with sufficient accuracy to warrant the insertion of the results.

The Illinois report is prominent among those giving a full idea of this last class of institutions.

The explanation of this doubtless would be that the Massachusetts report professed to deal only with the system of free public schools. It seems to show, however, the difficulty that exists in obtaining any comprehensive view of what is being done for education in any State—a very serious view when one's only source of information is the published report. This difficulty, which has been encountered by foreign observers at every step of their investigations, is no trifling one. When it comes to be more generally understood that education is not only a matter of the primary district schools, but also of the higher institutions of learning, we may hope for more completeness and uniformity in the educational reports of the several States. As an account of the public schools, however, this report is most satisfactory. The epigrammatic sentences extracted from the various city and town reports will be found of special interest, and suggest, what is undoubtedly true, that no community of equal size has the same number of persons so competent to direct school affairs.

The last Connecticut report, on the other hand, presents in part an illustration of the appropriate recognition of the higher professional and supplementary institutions of learning in the State. The people get an idea of Yale, that has so greatly caused and crowned the glory of the State. Her population, into whose hands this report falls, learn of the Sheffield Scientific School, and the forty scholarships made free to them to use, if they will qualify themselves to undertake its excellent curriculum. The appropriate insertion of this information in city and town reports would be altogether in the interest of these institutions, as well as to the benefit of the people at large.

The New York report ably shows the need of thus presenting all the educational institutions in the State in one view.

The extent to which the reports are circulated, from which these abstracts are taken, is also especially worthy of remark. It is gratifying that Ohio publishes 18,000 copies, as it is surprising that New Hampshire publishes but 1,500; while we are altogether unprepared for the wisdom of the suggestion that Boston should issue but 2,500 for its citizens.

The educating power of that old custom in the original towns of the country, which brought every civil question of importance before the whole body of the citizens, should not be forgotten. This debate and vote upon every school question, in open town meeting, has brought home the support of schools in the towns of New England as in no other sparsely settled communities; for the city, the State, and the nation the report is the only substitute offered save that of the newspaper press. But however much the press in this form may exert its vast power for the information of the people, there remains a great necessity for information, in a more permanent form, upon which the public judgment can be formed and public action taken. Educators have not merely to educate each generation in childhood, but to educate each generation of adults into the sentiments upon which the intelligent and wise conduct of school and home instruction must depend. What is accomplished for those enrolled needs to be constantly compared with what should be done for the entire population of school age. The attention and sympathy of all interested should be turned to the entire work which the school system ought to do.

Some of the reports, those of Ohio, Pennsylvania, and Illinois, indicate how much may be accomplished, while no points are omitted, by

turning the educational efforts of the State for the year, particularly to certain special needs, and reporting the results obtained. These reports seldom give the condition of lands and of deposits furnished by the United States, the income of which is set apart for the purposes of education. The Kansas report brings prominently forward the diversion of the United States grants of lands for schools to other than school purposes. The superintendent of schools in Missouri observes that the reckless management of the school funds calls urgently for legislation. The report from Iowa points out the unsatisfactory condition of the school fund of that State, as at present mismanaged.

Different parties in Oregon call attention to the act recently passed by the legislature of that State, and signed by the governor, which appropriates to the object of internal improvements the proceeds of certain lands set apart, as they believe, by the constitution of the State for the support of common schools therein. The facts and any action that may be necessary must be left entirely to the discretion of Congress, or the adjudication of the courts. But the most general perversion of these aids to education is presented in those States recently overswept by rebellion. Among the first acts of secession, in several instances, was the perversion of school funds for war purposes.

The satisfactory results of the abolition of the rate-bill, and of making the schools entirely free, are presented in the New York, Connecticut, Michigan, and New Jersey reports. The experience of these, and of other States that have long since taken similar action, should be a sufficient warning to those in the South, where new free schools are going into operation, against the adoption of measures so fraught with evil.

The economy and efficiency of careful classification and gradation find numerous illustrations in every efficient State system. No well-informed American educator would now presume to attempt to supply instruction to cities or towns of considerable size, without carefully classifying and grading the schools.

The information contained in the accompanying papers in regard to education in the States where emancipation has lately taken effect, contains features in marked distinction from those where freedom has been longer universal. It is gratifying that slavery exists nowhere any longer in the land to close the door effectually against universal education. It is gratifying to observe the avidity with which those lately slaves have sought the primer and the means of higher instruction. It is gratifying to know that the large-hearted Peabody, and many benevolent associations, have done so much to facilitate and encourage education among all classes in the South. It is gratifying to reflect that the Government, through the Freedmen's Bureau, has accomplished results so vast in this direction, being able to show that in July last, in day and night schools, regularly and irregularly reported, 149,581 pupils had been in attendance. It is gratifying to know that under the restoration policy of Congress the reorganized State governments have adopted constitutions making obligatory the establishment and conduct of free public schools for all the children of school age, and that laws have been enacted and the work of education so generally commenced under them, organizing superintendence, employing teachers, and building school-houses, introducing here and there the germs of systems which have been tried elsewhere and proved most successful. But when we begin to compare what has been accomplished with what remains to be done, and the instrumentalities in the field with the work they have to do, the feelings awakened are those of extreme anxiety. It will be observed that the provisions for education in Delaware remain the same

as before emancipation. There is no State supervision, no State provision for training teachers, no school law adequate for keeping schools open; municipalities may tax themselves for school purposes or not, as they see fit. Wilmington affording the most favorable results, the schools in the State generally are of an inferior class, and, so far as organized under the school law of the State, provide only for the education of the whites. Some excellent private efforts have been made for the benefit of both whites and blacks, those for the latter under the auspices of the Freedmen's Bureau and benevolent societies.

It appears from authentic information filed in this office, that Sussex County now raises, by taxation, \$30, Kent, \$50, and Newcastle, \$75, the lowest limit which will secure their appropriation of the State fund. This year, however, owing to the circulation of a statement that, under the operation of the fifteenth amendment, the colored children might claim to be educated at the same schools with whites, five of the six school districts into which Dover, the capital of the State, is divided, voted no tax, the remaining one voting \$251. It is noticeable that the school fund is divided among the three counties, on the basis of the population as it was forty years ago, in 1830.

Maryland has a law for the conduct of the white schools, excellent in some of its features. The principal of the normal school is the nominal, but powerless, head of the system; the county examiners perform, in some measure, the work of superintendence. The Baltimore schools have many excellencies, and provide for the education of the colored children, but in the country districts of the State the education of any excepting whites is utterly ignored, save as provided for by private enterprise.

Kentucky provides supervision, but the legislature last winter, in endeavoring to curb the energetic efforts of the superintendent, reduced his salary, and, instead of adopting the efficient measures for white schools which he had recommended, enacted a law very much in accord with the provisions of the statutes before the emancipation of slaves, practically ignoring the large population of colored children of school age.

West Virginia, after having struggled, so far successfully, in the establishment of a free school system, seems now to be contemplating its destruction.

Virginia is just putting a free school system into operation, but encountering great difficulties in the lack of means, the want of correct information of what a free school system is, and in the absence of school houses and qualified school officers and teachers.

North Carolina has been struggling for about two years to put a system of free schools into operation; many of its features are excellent, but the inadequacy of means, and the other obstacles encountered have permitted only partial success, more having been accomplished by the instrumentality of the Freedmen's Bureau and the aid of the Peabody fund, and other charities, it is believed, than by the expenditures of the State. Many reasons combine to render the friends of education more fearful of defeat than hopeful of success.

The friends of education in Tennessee, after seeing the school system put into operation and nearly 200,000 children enrolled, saw their work overthrown by reactionary sentiments, save in the cities of Nashville and Memphis, and the provisions reenacted in accordance with which the pauper schools of the days of slavery had been conducted. The counties of Davidson, Green, and Montgomery had so far come to appre-

ciate the benefits of the free schools they had enjoyed that they have attempted their reestablishment under the present inadequate legislation.

Missouri has a free-school system firmly established.

Arkansas, encountering the obstacles common to the regions where slavery has been abolished, has secured a greater success than a majority of the Southern States.

South Carolina, among the States having the largest percentage of illiteracy, is confident of final success in establishing free common schools.

Florida, although under a most zealous and competent superintendent, now deceased, has hesitated in giving the greatest efficiency to the system sought to be established, and yet presents reasons for anticipating the general prevalence of free schools.

Alabama, after the friends of education had put forth most strenuous efforts, and secured the general opening of schools, with hopes of permanent success in the establishment of free and universal education, now debates the question of advancing or retreating.

Mississippi, although commencing late, is progressing steadily and efficiently in the establishment of a system of free schools, notwithstanding the great and bitter opposition, appointing county superintendents, collecting the school tax, and building school-houses.

The school code of Louisiana, containing some features well adapted to efficiency, and administered with great energy, has encountered an opposition so persistent and fierce that its success outside of the city of New Orleans has been most unsatisfactory to its friends.

Georgia has just passed a school law and appointed a State commissioner, but must wait a year for funds with which to put the system into full operation.

In Texas no school legislation has, so far, succeeded, and no public officers are at work for the organization of schools, her entire population being left to grow up in ignorance, save as here and there a private enterprise throws a ray of light upon the general darkness.

The diverse inquiries necessary to bring out the most recent facts in regard to the schools of the District of Columbia have been so far successful, as appears in the accompanying papers, by the aid of several gentlemen, upon whom varied educational responsibilities rest. General Francis A. Walker furnishes the facts from the present census; George F. McLellan, esq., a member of the board of trustees, and J. O. Wilson, A. M., superintendent, the facts in regard to the white schools of Washington; Mr. A. E. Newton, superintendent, in regard to the colored schools of Washington and Georgetown; A. Hyde, esq., in regard to the white schools of Georgetown, and J. B. Miltberger, esq., as to the schools in the District outside of the two cities.

In this limited territory, directly at the doors of the Capitol, it will be observed that Congress regulates the schools for whites in the city of Washington through the city councils, and a board of education appointed by these councils; a superintendent, nominated by the mayor, and confirmed by the board of aldermen; the appointment of teachers being made by the board of trustees of public schools. The schools for the blacks in this city, Congress regulates through a board of trustees appointed by the Secretary of the Interior, who appoints a superintendent and the teachers, and add to their responsibilities a corresponding authority over the schools for colored children in Georgetown.

Georgetown, like Washington, therefore, has a double-headed school authority, there being a separate board for the management of the white schools, while the schools of the District outside Congress regulates

REPORT OF THE SECRETARY OF THE INTERIOR.

through the levy court, that designates a board of commissioners, appoint teachers and manage the schools.

From materials derived from the ninth census the following table has been compiled:

Number of children between six and seventeen years (inclusive) in the District of Columbia.

DIVISIONS.	MALE.		FEMALE.		TOTAL.		AGGREGATE.
	White.	Colored.	White.	Colored.	White.	Colored.	
City of Washington	8,371	3,822	9,032	4,710	17,403	8,532	25,935
City of Georgetown	943	325	1,143	471	2,086	796	2,882
Rest of the District	893	615	793	551	1,688	1,166	2,854
Whole District	10,209	4,762	10,968	5,732	21,177	10,494	31,671

Number of children in the District of Columbia (excluding the city of Washington) between the ages of six and seventeen years, both inclusive.

DIVISIONS.	WHITE.												TOTAL— WHITE.	
	NATIVE.						FOREIGN.							
	6 to 9.		10 to 14.		15 to 17.		6 to 9.		10 to 14.		15 to 17.			
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
Georgetown.....	313	359	408	453	212	302	2	6	6	10	2	13	943	1,143
East of Seventh st. road.	155	133	186	166	78	101	2	3	7	11	8	6	436	420
West of Seventh st. road.	115	138	171	157	150	64	8	2	9	7	6	5	459	373
Total.....	583	630	765	776	440	467	12	11	22	28	16	24	1,838	1,936

DIVISIONS.	COLORED.												GRAND TOTAL.			
	NATIVE.						FOREIGN.										TOTAL— COLORED.
	6 to 9.		10 to 14.		15 to 17.		6 to 9.		10 to 14.		15 to 17.					
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.		
Georgetown	100	112	144	203	81	156	.....	.....	.....	.....	.....	325	471	1,268	1,504
East of Seventh st. road.	132	112	180	174	98	99	.....	1	.....	1	.....	412	345	848	805
West of Seventh st. road	66	50	99	63	36	51	.....	2	.....	2	.....	303	166	662	539
Total.....	298	274	423	440	215	306	.....	3	.....	1	2	940	1,022	2,778	2,856

From various sources, public and private, the following items, respecting school attendance, have been collated:

White pupils in private schools, Washington	3,809
White pupils in charity schools, Washington	1,795
White pupils in public schools, Washington	6,663

White pupils in Washington, total *12,267

* The following extract from the last annual report of the board of trustees of the public (white) schools of Washington, will show how they account for the large absence from any schools noticeable by comparing these figures:

"It appears from this, that all but 5,136 of the white children of proper school age are at school. Of the number enumerated in the census, 3,858 are from fifteen to seventeen years old. In consequence of the necessity of seeking employment, most of the children are withdrawn before reaching the first of those ages, so that but 405 remain in

Without a full knowledge of the facts little can be expected either of the Executive or of Congress. The inpouring settlers are left measurably to themselves, unless perchance an Indian massacre, the discovery of a mine, or the construction of a railroad directs to them public attention. No one who has not had some observation of these advancing settlements can form a correct idea of the struggles which occur between the different elements of civilization as to which shall prevail, whether that which looks backward or that which looks forward.

So far in the history of the country, these unoccupied portions of the land have served as outlets to many social and civil diseases which would otherwise have been concentrated, with their corrupting and destructive influences, in localities already included in State organizations. Intelligent foreigners, observing how quickly some of the knottiest social and civil questions are solved among us, exclaim: "Yes, you have this great safety valve; but soon that will be closed by advancing settlements, and you will be compelled to solve these questions, as we now are, in a dense and concentrated population, without means of relief by escape." The truth is plain and admonitory.

The necessities of the older portions of the country, as well as the interest of the Territories, require the most prudent and thorough work in the management of territorial education. In contemplating these consequences we must not limit our attention to white men only. If the Indian is to be inspired by the genius of Christian civilization, it must be on the same soil now occupied by his hunting grounds. Why, then, should not the first foreshadowings of the National Government around him include him under the same laws, the same enforcement of justice, the same guarantees of life, liberty, and the pursuit of happiness, the same institutions for the instruction and training of his children, adapted always to the differences of circumstances, as are extended to the whites?

All history shows the lasting effects upon the development of any country of the institutions first brought and established there. Education is the last and the highest result of civilization. It is therefore especially incumbent upon the colonizing powers that the means for the immediate education of their children be furnished to the new colonists. There is no want so imperative as this. It is in the power of the United States, by wise forethought; to secure for all the Territories under its rule the adoption of that system of local provision for the free public instruction of all the children which has been the foundation of the prosperity of the older States. Simply sufficient supervision and control to direct, into the most approved methods, will make untold difference in the educational history of the new States. Clearly, nothing should be done by the nation which would diminish the educational endeavors of these new communities, nor should anything appropriate be omitted which may render their endeavors successful. How legitimately and easily an act of Congress could provide that every settlement containing six, fifteen, or any other number of children of school age could, in accordance with a prescribed manner, meet and organize into a school district, provide school officers, levy and collect a tax for the erection of buildings and the conduct of schools; that some or no aid should be bestowed by General Government; that appropriate inspection and reports should be made; and from the very center of the nation an influence go directly to these small communities, however remote; suggesting the best models and methods, and contributing to an educational growth, permanent and accordant with the most approved standards. In case a community was too degraded to feel the force of motives

necessary to arouse it to action, the law could provide for the appointment of committees or directors to levy the necessary tax and establish and conduct schools, under due accountability. This would throw the light of intelligence into every nook and corner, however secluded. The responsibility which rests upon Congress for the providing for the government of these inchoate States places this subject of securing the adoption of some school system directly in its hands and renders argument unnecessary.

The necessity of the suggestion of compulsory school organization, in some cases, is rendered more apparent when we consider the fact that in New Mexico, on the question whether there should be a school law or no school law, 37 voted for, and 5,016 against the law. And when we read such statements as this, from a responsible writer, in regard to feeling on the subject in the Territories, the same truth is confirmed: "Parents either seem to have an idea that the propagation of children should return early profits, or to dread a little learning as a more dangerous thing for their sons and daughters than blasting in a mine, driving an ox team, taking in washing, and marrying early." I invite special attention here to the following letter from Governor William A. Pile, of New Mexico:

TERRITORY OF NEW MEXICO, EXECUTIVE OFFICE,
Santa Fé, October 20, 1870.

SIR: I have the honor to acknowledge the receipt of letter from your Department of the 27th ultimo, making inquiries as to the condition of education in this Territory, to which I reply with pleasure.

The law approved January 28, 1863, was repealed, and there is no general law in this Territory on the subject of education. There is not a free public school nor a public school-house in the Territory. The Catholic Church, which largely predominates in this Territory, has schools in this place, Las Vegas, Albuquerque, Taos, La Mesilla, and in some of the smaller towns. There are Protestant schools in this city, Las Vegas, La Junta, and Elizabethtown.

The great mass of the population in this Territory is deplorably illiterate, and wholly without school facilities.

The subject has been repeatedly urged upon the attention of the legislature, but as yet nothing has been accomplished.

I am preparing an elaborate statement of the educational condition and needs of this Territory, which I hoped to finish in time to send to you for your annual report, but the delay in the census returns to the United States marshal renders it impossible to get the necessary statistics. I therefore only write you thus briefly now, and will forward a full report at the earliest possible moment, accompanied with such suggestions and recommendations as to congressional legislation on this subject as I may have to make.

I have the honor to be, very respectfully, your obedient servant,

WM. A. PILE, Governor.

Hon. JOHN EATON,
Commissioner of Education, Washington, D. C.

The recommendation of Governor Pile appears in its appropriate place among the accompanying papers.

By the annexation of Mexican territory in 1850, the United States received an interesting population, settled in villages. Under the efforts inaugurated by Charles V, of Spain, and continued by the government of Mexico, a considerable portion of the population had acquired some limited knowledge of letters, which, from the neglect they have received since they have been under the Government of the United States, has been lost. Scarcely any can read or write Spanish, and still less English.

EDUCATION OF INDIANS.

Since the educational endeavors of John Eliot among the Indians, the sentiment among Anglo-Americans has struggled over Indian education *vs.* Indian destruction. On the one hand all humane and Chris-

tian considerations have been affirmed to demand every exertion for their education, and challenged opposition by pointing to examples of success.

The original foundation of Dartmouth College was Moore's Indian school for the education of Indians. Many Indians have diplomas from this and other colleges. Numerous elementary schools, under the auspices of the Government, or supported by charity, or the respective tribes, are declared eminently successful.

On the other hand, we are referred to massacres, wars, and the tenacity of barbarism in various Indian tribes, and emphatically told that the destruction of the Indian is the only solution of the question of their occupation of the same soil with the Anglo-American.

A statement, revised in the Indian Bureau, is to the effect that the first Indian appropriations for educational purposes were made in 1806. Since that time \$8,000,000 have been expended for this object, and at least \$500,000,000 for Indian wars. Of the appropriations now made for the relief and civilization of the Indians, about one dollar in ten is for the purpose of education. A most liberal estimate indicates only one child in ten or eleven receiving even the simplest rudiments of an education. Indeed, until the present administration announced its Indian policy, it has been to a great degree true, as affirmed by one of the mission reports, that in treating or dealing with the Indians the United States Government seemed to meet them upon a financial rather than a moral basis—sought its own self-interest more than the temporal and moral good of these children of nature, as if wishing to gain possession of the vast domain claimed by the wild, roving bands, in order to make out of it farms, villages, and towns for its own citizens.

The earnest and united efforts of the President, the Secretary of the Interior, and the Commissioner of Indian Affairs to enforce honesty and justice in the place of corruption in Indian affairs, and to enlist the Christian and philanthropic mind of the country in this direction, suggested to me the importance of bringing out as fully as possible the facts in regard to Indian education, that the information upon these points might be in a form accessible to those outside of the Indian work—to teachers, educators, and those who are studying and directing the philosophies and methods of culture in other respects in the country—so that the benefit of their sympathy, opinions, and coöperation might be secured to these efforts, so worthy and yet so bitterly opposed. This purpose has been strengthened by communications from teachers and others among the Indians, asking aid in the way of suggestions, in regard to methods of instruction, text-books, black-boards, charts, globes, and other means of illustration.

Educators have a special responsibility in this work, from which they cannot shrink. If a question arises for solution in the line of any other profession, as in that of law, medicine, or engineering, experts are expected to solve it. All admit that the success of any effort for the civilization of these wards of the Government turns upon the training of the young. The transformation of adults from the ideas, habits, and customs of barbarism to those of civilized life, will, according to all experience, be comparatively slow. But if these can be withdrawn from the war path, and by degrees induced to locate on reservations, and accept titles to land in severalty; their children can be reached, taught letters, agriculture, and other industries, and generation by generation carried forward, until the last traces of savage life have passed away, and they are prepared to participate in all the duties and amenities of citizenship.

In the preparation of the accompanying paper on this subject much labor has been expended in the examination of the reports of the Indian Bureau, and the compilation of the correspondence and facts received from numerous other sources. Exact accuracy is at present impossible. Including Alaska, the Indian population is estimated at 380,629 persons; about 95,000 of these are within ages enabling them to receive instruction. But 153 schools are known to be in operation, with 194 teachers and 6,904 scholars. The appropriations made at the last session of Congress for this purpose are estimated at \$246,418 90, of which \$100,000 is in bulk, and placed under the discretion of the Secretary of the Interior for the maintenance of industrial and other schools. To the above amount, add expenditures by religious bodies, \$16,585 56, and by tribes and individual Indians, \$26,022 92, making a total for the current year of \$289,027 38. Under treaty stipulations the liabilities for educational purposes are estimated at \$135,951 56. The total liabilities for this purpose are given as \$663,400 02, while the school and orphans' funds held in trust by the United States amount to \$1,441,420 69, making the total liabilities \$2,104,820 71. Special attention is invited both to the paper and the tables.

In a report made to the House of Representatives, in answer to a resolution of inquiry in regard to the progress of education in those regions of country affected by the emancipation of the slaves, every accessible fact was gathered, showing the sentiment, the legislation, and practice among civilized Indians. In regard to the education of the children of Indians and the children of those formerly slaves, much neglect and many abuses were revealed, imperatively demanding prudent but immediate action on the part of the Government, it appearing that the provisions of treaties were violated and large numbers were still growing up without any training in virtue and intelligence, preparing to add their weight to the vice and crime above which the better portion of these people endeavor to rise. The going back of the Pueblo Indians and others, as respects intelligence, since their territory has been added to the United States, is too shocking to American ideas to be longer tolerated. Does not the prevalent sentiment proclaim America, the leader in civilization, quite ready to receive an indefinite addition of territory and population for the purpose of elevating degraded peoples? And shall there be allowed to remain facts like these, showing great and positive degradation ever since their transfer from the Mexican rule?

I would here refer to what I have already said under the head of education in the Territories. It cannot be doubted that some beneficial method is within the reach of the legislative wisdom of Congress by which the whole subject of education, Indian, White, Mongolian, or whatever the race of settlers, can be combined under one responsibility in the respective Territories, assuring the laying of the best foundation for the best educational superstructure. It is useless to merge this great shaping and controlling instrumentality in any other responsibility. All others may contribute to it, but this they are not likely to do unless education is committed to persons having it specially in charge.

On these points experience is conclusive. No State, city, town, or district attempting an efficient school system expects its success, save as certain persons are specially charged with raising and expending the funds, employing teachers, inspecting and regulating schools. Indeed, for the purpose of the highest efficiency this work itself is subdivided, one class of officers performing one portion of it, and another, another; and in all cases, before moneys are expended in the erection of build-

ings, the appropriate and specified officer certifies that the quality and amount of work done is in accordance with the required standard. The application of this principle to all Indian schools, however remote, would unquestionably greatly increase their value. Incompetent teachers would be weeded out; the observations necessary to improve methods of teaching and the introduction of proper text-books would be made by competent persons; the results could be gathered in a concentrated form for the use of Congress and for public information. A new impetus would be given to all educational operations among the Indians, now so exceedingly embarrassing to the Commissioner and other officers of Indian affairs, who are so earnestly and persistently attempting their improvement. Nor are these purposes without decided encouragement. A careful observer of the facts, among all the classes of Indians, amid all the discouragements, however degraded and hostile to civilization some of them are, cannot fail to notice the anxiety so often manifested for the establishment of schools and the education of their children. Red Cloud presents a striking illustration: his own heart inclined to resistance, his young warriors clamoring for hostilities. On coming to see his "Great Father" and witnessing the aspirations of the numerous classes coming under his observation, and especially finding an Indian at the head of these affairs, his own savage ideas are struck with the notion that he too may seek a greater sphere for the exertion of his influence, and that his sons may aspire to Congress, and he goes home in favor of peace.

The capacity for a higher civilization possessed by the Indians cannot be seriously disputed. What has been done with the nations located west of the Arkansas can be done with different degrees of success in every Indian tribe. The superintendent of public schools in the Cherokee nation, for the year ending July 15, 1870, reports 45 schools for Cherokee children, 3 for colored children; with 973 males, and 955 females; total 1,928 enrolled, and an average attendance of 1,124. No information so recent has been received from the other civilized nations. All have, however, their school systems, officers, teachers, and schools; and, however they fall short of what ought to be, give a most abundant proof of what can be accomplished under thoroughly excellent educational management.

In Western New York, where Indian schools receive the benefit of State skill in management, additional evidence is furnished of the expediency of the policy here urged.* It involves a faithful adherence to the highest principles of human culture, carefully adapted in their administration to the condition of intelligence, prejudice, virtue, &c., of the Indian communities. Plainly, we cannot afford that any honest seeking among the Indians for light, or that any desire for books, for instruction in learning, industry, or virtue, shall be repulsed. On purely economical principles, cheaper than the wars for their destruction would it be to feed, clothe, and shelter all the adult Indian population, and by far cheaper to furnish text-books, board, and clothing, and the entire expense of the education of the young.

The best directed efforts in the past have been too partial. The present policy is undoubtedly sufficiently comprehensive, if it secures the general public attention and support necessary for its complete efficiency. It is well worthy of formal inquiry by the Government, whether the text-books and methods of instruction used do not require revision,

* The widely different results in the States of California, Nevada, and Oregon, where no such policy is pursued, should not be overlooked.

and better adaptation to the sensuous habits of the Indians. Too much confinement, too much abstraction, must be avoided; the eye, the ear must be attracted, Indian languages and customs mastered; government and trade among the adults must favor improvement among the young. Activity and industry must go hand in hand with the pursuit of letters. The Indian himself must be a teacher and civilizer of his fellows. The establishment of a school among the civilized Indians for the training of teachers would be one of the most economical efforts that the Government could make. Men and women should be trained, not merely in the methods of teaching in the school-room, but in all the arts and occupations of life, and in a form most likely to win the savage child to the ideas, habits, intelligence, and virtue of Christian civilization, who should become familiar with agriculture, and horticulture, with the raising of stock, with the making and wearing of the white man's apparel; the erection and enjoyment of the white man's house; the use of books, newspapers, and associations for the promotion of individual and general welfare. Put into such a school the expense of sustaining a single regiment on our frontier, and I am confident the success would soon justify the effort. Young Indians, male and female, would be found ready to avail themselves of its advantages, and would go out to disseminate the benefits to every tribe and kindred of the race.

Friend Janney, of the northern superintendency, makes the following interesting observations:

In the establishment of schools for the education of Indian children and youth, it has been a question whether day-schools or boarding-schools should be preferred.

I have come to the conclusion that both may be advantageously employed, and that the day-school, in most cases, should be preparatory to the boarding-school.

The Indians are generally unwilling to give up their young children to be placed in a boarding-school where they would be separated from their parents almost entirely; yet it is desirable to withdraw them as early as possible from every influence that would pollute their minds or retard their moral improvement.

There should be on every reservation a sufficient number of day-schools, conveniently located, where, under the care of kind and judicious female teachers, the children should be taught to read and write the English language. The perceptive faculties of this race being, in general, remarkably developed, it will be found that a system of object teaching is well adapted for their instruction in the rudiments of knowledge. On every reservation there should be one or two industrial schools, where the youth should be boarded and clothed; taught in the most useful branches of an English education, and trained to industrious habits. The girls should be employed part of the time in household occupations, and the boys in farming or the practice of the mechanic arts.

THE POPULATION UNDER THE EXCLUSIVE CONTROL OF CONGRESS.

There is under the exclusive control of Congress a population of 819,452 souls. The schoolless condition of these widely-scattered wards of the nation will be seen in the following tables. They are a serious commentary on the policy pursued and civilization afforded by our nation toward her outlying territorial citizens and the Indians.

ls, teachers, and pupils in comparison with population in that portion of the country under the exclusive jurisdiction of Congress.

	Number of—			Population.		
	Schools.	Teachers.	Pupils.	Citizen.	Indiana.	Total.
District of Columbia.....	a297	a422	a17,936	131,706		131,706
ORGANIZED TERRITORIES.						
Arizona.....				11,787	34,500	46,287
Colorado.....	b1	b2	b24	38,107	7,300	45,407
Dakota.....		53	1,785	13,981	28,318	42,300
Idaho.....	15		345	14,886	6,468	21,354
Montana.....	13	97	181	90,432	13,903	104,335
New Mexico.....				190,372	21,163	211,535
Utah.....	243	342	15,000	110,000	19,800	129,800
Washington.....	b15	b12	b404	23,751	45,808	69,559
Wyoming.....	4	4		9,118	2,400	11,518
NOT YET ORGANIZED.						
Indian Territory.....					45,430	45,430
Alaska.....				d1,300	d28,264	d29,564
Indians within the States.....	c153	c194	c6,904		101,609	101,609
Total.....	743	1,056	42,559	493,310	318,042	811,352

a Including private and charity schools. b Given for one county only. c Being school teachers, and pupils for the entire Indian population. d Taken from Dall's "Alaska and its resources."

A careful student of the facts and suggestions coming from faithful educators among the Indians will be struck with their accordance with the principles sought to be engrafted upon our systems of elementary instruction by the disciples of Comenius, Pestalozzi, and Froebel.

KINDERGARTEN.

The faulty training which too often precedes school work and the imperfections so prevalent in our primary instruction have turned the attention of many American teachers to the excellencies of the early training characteristic of the Kindergarten. Limitations in the conceptions of the teacher and the practical work of the school are measurably responsible for these faults. Neither children nor childhood are sufficiently understood or appreciated. Nor are the houses, apparatus, grounds, or instruction of our primary schools sufficiently adapted to the best and most healthful development of the body, mind, and disposition. Great improvements have been made within a few years. The necessity for special attention in this direction was less, manifestly, when the population of the respective communities was more generally resident in rural districts and had proportionably more of nature around them, impressing the senses. The increasing concentration of our population in cities adds to the necessity of a thorough revision of the early work of the school-room throughout the country.

The accompanying article, written by the American lady best qualified to prepare it, presents some of the leading considerations most imperatively demanding the attention of American teachers upon the subject at present. Her suggestion with regard to the establishment at the capital of the nation of a training school for teachers in these methods of instruction well deserves the considerate attention of American philanthropists and statesmen.

Whoever would comprehend the full import of the philosophy that underlies the improvements in elementary training suggested by this paper, will find great aid in studying those peoples who make the most

of the influence of the family for the shaping of the earliest years of the child.

HEBREW EDUCATION.

The article upon Hebrew education has been prepared by a gentleman who is thoroughly conversant with the subject. It will be observed how fully the letters appended from the learned rabbis of leading cities sustain the statements previously made by the writer. The hereditary characteristics of this peculiar people are shown to be in a remarkable degree the result of a training at once so minute and so comprehensive as to embrace almost every act in the life of an Israelite, from the cradle to the grave. Education with him is not a thing apart as with the other nations; it is rather the companion of his whole existence. His relations to his family, to his fellows, to the synagogue, and to strangers, his habits of life, the preparation of his food, the ceremonies of his religion, are all ordered in accordance with traditions centuries old. This constant education has produced a homogeneous people, whose characteristics, preserved under so widely varying conditions, have outlasted the most persistent and fearful persecutions.

Their fondness for American liberty, and their support of the common school system, are specially worthy the attention of those foreigners who come here to perpetuate antagonisms.

Enforcing their own denominational ideas in their own family and church instructions, the Hebrews find no occasion for conflict with the non-denominational public schools of this country.

But however much of Hebrew education is dependent upon nature or influences beyond the reach of general education, it presents results highly instructive to those Americans who so fondly hope to see established and preserved here, institutions of liberty and justice, to survive whatever trials the future may impose upon them.

OUR INTERNATIONAL EDUCATIONAL RELATIONS.

Civilized and Christian nations seek to enlighten and Christianize those that are barbarous and pagan. The nation, as well as the individual, has external relations, giving rise to corresponding duties. The nation must have a purpose with reference to the rest of the world, as well as in regard to its own individual citizens. This purpose is a significant test of the national character. The ambitions of a nation, with respect to objects outside of itself, often are among the most powerful inspirations to enterprise among its people.

Our fathers proclaimed a larger liberty, a more universal justice, a greater equality, a liberty, justice, and equality possible only with the universality of intelligence and virtue. Where they made mistakes, we, at the cost of immense treasure and blood, have applied correctives. We say to all the world "this is the better way," and invite the nations to walk therein. Reducing force to its minimum, and even below that degree of exercise which assures life and property in the government of our domestic affairs, we send our flag abroad on every sea and in every clime, backed less by the potency of our armaments than by the moral power which inheres in the intelligence, virtue, liberty, and universal enterprise of a great, growing, and united people.

The late unparalleled exertion of military prowess in the enforcement of our domestic unity has turned the eyes of the world anew to the study of American institutions, if by any means they may discover the secret of our success. Profound statesmen in civilized countries have

long believed, and acted upon the belief, that national training shapes national character. What they would infuse into the nation, they first put into the school. Naturally enough, they believe the sources of American greatness are to be found in our education. But when they come here for these studies, how disjointed and fragmentary are the excellencies they find, how manifest the opportunities for improvement. They generally limit their observations to cities, and these almost exclusively in the northern and eastern sections of the country. Rarely has any one looked over the entire field and taken a view so comprehensive as to embrace the opportunities of education in all sections, in the country as well as in the city; institutions, public and private, for elementary, secondary, and superior or technical education, counted the whole educable population, determined how many are unreached even by rudimentary instruction, how very limited the number who have any thorough secondary or superior culture. They can see only in part. No report has ever grouped these facts together. Our own statesmen are without an adequate knowledge of them. Our citizens, at home and abroad, however intelligent, are unable to represent them correctly. Seeking to educate the world, we have not even prepared the text-book. There is here a field fitted to rouse the profoundest philanthropist and inspire the highest American endeavor. Shall not the nation at least so group together the facts and statistics that its own officers may know how this work proceeds; so that our ministers and other representatives abroad may be able to speak intelligently in answer to inquiries for information on this subject?

During the past few months two colonies of Australia, from their solitude in the seas, two of the South American states, Spain, Portugal, the Netherlands, a commissioner from the French ministry of public instruction, our own ministers at Vienna and Stockholm, and friends of education in the British Parliament, as well as numerous private inquiries from many foreign sources, have sought here national information with regard to education which could not be given. Can the United States afford to lose such opportunities? Is it not better to improve them than to win battles?

But these statements may be said to proceed on the supposition that our country leads the world in all respects in this great work of internal progress. On the contrary, a correct apprehension of the facts will compel us in candor to admit that we have many excellencies to learn; indeed, that some of our greatest educational improvements have been borrowed, and that we need for ourselves a constant observation of all that is done elsewhere in the matter of education, in order that, as promptly as possible, every advantage practicable in our civilization may be secured for the cultivation of our children and the elevation of our people. A newspaper correspondent says, in speaking of the opinion formed by Mr. Mundella of some of our schools, that he "thought the Rice school in Boston the best he has ever entered in any country. By contrast he found no school for the poor children in the Freedmen's Village at Arlington, which he visited to-day. Of facilities for art instruction he notes our sad deficiency, Philadelphia, with 600,000 inhabitants, having only a single school of forty pupils. Small towns in England do much better. Speaking of the great defects of our systems, as irregular attendance, absenteeism, want of uniformity, and lack of supervision, he says that, unless we strike some remedy, England, under her new educational bill, will outstrip us in the education of the masses."

Our entire consular and ministerial service could readily communi-

cate to the State Department a great fund of valuable facts, to be worked up in this Bureau for the use of American educators.

The accompanying papers give some views of school affairs in the Australian colonies, India, Ecuador, the Argentine Republic, Austria, and England. In the last named the progress is most striking, in every feature, to the American educator.

To illustrate the foreign demand for information referred to, as well as its extent and character, the following extracts from the files of the office are presented.

From the parliamentary library of the colony of South Australia:

Having observed that certain documents have been published under your authority relating to the educational legislation, statistics, &c., of the various States of the Union, I have the honor to request that you will favor me by transmitting copies in duplicate.

From the Secretary of State, transmitting copies of the educational report of the colony of Victoria:

It is assumed that these reports are sent to the Government of the United States with a view to receive in return some of the official publications of the General Government or of the several State governments in relation to the same subject.

From the secretary of the Colonization Society:

I shall be happy to receive your publications for the government of Liberia.

From the minister of the Netherlands to the Secretary of State, (translation:)

The Teachers' Association of the Netherlands has addressed my government, requesting to be put in possession of a collection, as complete as possible, of the laws, regulations, and reports concerning public instruction in foreign countries. I flatter myself that you will be pleased to lend me your assistance, that I may be put in possession of the documents in question, (State, city, and other local reports,) as well as of such as may be at the disposal of the Commissioner of Education.

From the chargé d'affaires of Portugal to the Secretary of State, (translation:)

The ministry of the kingdom of Portugal, desiring to obtain information with regard to public instruction in this country, I have the honor to transmit the inclosed copy designating the points on which information is desired.

The communications of Mr. Jay, minister to Vienna, are too long to quote. They comprehend three items: 1. The great interest felt by the imperial royal (Austrian) government in the American system of public instruction. 2. The publication by the ministry of education of semi-monthly bulletins of educational information, and a proposed exchange of Austrian documents on the subject for those of this country. 3. Requesting complete sets of reports and text-books for this purpose.

The French government (through the Department of State) has also been inquiring for observations and statistics on "the causes of the mortality of children of tender age," in the course of which it comprehends "*the various modes of their education, the proportion of mortality in the different States, preventive measures initiated,*" &c.

Finally, to illustrate the interesting subjects on which this office occasionally receives communications, and which would increase in number with greater facilities for their consideration, the following letter is appended, (translation:)

Dr. Pogglioli to Hon. E. B. Washburne.

PARIS, June 21, 1870.

SIR: A scientific discovery, which was presented to the imperial French academies of science and medicine, has, after a favorable report, been practically applied in the superior municipal schools of Paris, (Colbert and Turgot,) by order of the prefect of the Seine. As this discovery has a general interest, I have the honor to make this

communication to you that you may, if you see fit, draw the attention of your minister of public instruction to it, with the hope that he may imitate his French colleague, Mr. Duruy, to whom its introduction in the above-mentioned schools is chiefly due. At the time when Mr. Duruy resigned his position, this new process was about to be introduced into the lyceum of the Prince Imperial, with the view of making its results known in wider circles.

Your minister of public instruction would only have to select a competent physician to superintend the introduction of this discovery, which consists of nothing but simple *electric gymnastics*, agreeable to the child, altogether harmless, and which can be introduced into every kind of school. The practical results are the following: After a few days' practice a general improvement in the child's health may be noticed, if it has been previously feeble and sickly. The same improvement may be observed in its physical and mental development. After some electric "*séances*," (three, on an average,) the child needs but half the time for studying its lessons, and, if last in the class, it will soon advance to the first rank.

Such results, of incalculable value for future generations, deserve the attention of every wise and intelligent government.

Hoping that you will give this subject a favorable attention, I remain, with the most profound respect, your excellency's humble and devoted servant,

POGGIOLI, M. D.,

Knight of the Legion of Honor,

Former Inspector of the State Asylums for the Orphans of 1848, &c.

Circular issued by the director of the superior municipal schools of Paris to the parents of scholars in those institutions.

PARIS, May 15, 1870.

SIR: Dr. Poggioli has been authorized by the government to introduce his system of electric therapeutics in the superior municipal schools. This system tends to the bodily and mental development of the child in the same manner as a well-organized system of gymnastics.

The electro-therapeutic treatment of Dr. Poggioli, who has already made successful experiments in several large private establishments, is not attended with any danger or inconvenience whatsoever.

I have therefore the honor to ask you whether you wish your son to participate in the electro-gymnastic exercises, superintended by Dr. Poggioli in person, assisted by a committee of teachers especially appointed for this purpose.

If your answer is in the affirmative, I would ask you to authorize me especially to do so, by signing the accompanying formula.

_____, *Director.*

Printed slip for the parent's answer:

I authorize you to let my son participate in the electro-therapeutic exercise of Dr. Poggioli.

AMERICAN EDUCATION AS AFFECTED BY OUR RELATIONS TO ASIATIC CIVILIZATION.

Our nation, itself the result of transatlantic immigration, developing a civilization having its own characteristics, laying under contribution all the types in Europe and Western Asia, yet differing from all these, has had enough to do to maintain its essential features and assimilate to them the continued tide of population pouring in from Europe. The questions arising out of enforced African migration of a population brought hither as slaves, have, in their only partially effected solution, too nearly sundered the ties of our Union, buried too many hundreds of thousands of our first-born, and loaded posterity with too many millions of debt. It is easy now to see how the early and universal application of principles of education adopted in portions of the country, would have given a more ready and complete assimilation of all incoming foreign populations, whether civilized or pagan, in accordance with American ideas and institutions, and averted the fearful ordeal through which we have passed. Nor can reflective minds fail to feel that the immediate and thorough application of the principles of free common schools alone can successfully complete the triumph of the institutions of freedom, so far secured.

Still welcoming a large European population, and in the midst of the final solution of the questions arising out of the emancipation of slaves, we are in a most peculiar manner brought face to face with the overwhelming populations of Eastern Asia. Our transcontinental railroad, and connecting Pacific steamship lines, make our territory one of the highways of the world's commerce with Eastern Asia and its islands. The ubiquity, versatility, and enterprise of American commerce and character can hardly do otherwise than take the lead of this meeting of the new with the old civilizations. The confluence of new tides of population, however diverse, in the past, presents no parallel. All our citizens believe in the triumph of American destiny, and may, from self-assured habit, regard the issues presented with indifference, save where some special interest is directly affected, or supposed to be, as are the interests of industry by the introduction of Chinese laborers.

The questions thus raised have already excited considerable interest and investigation. Rev. S. C. Damon writes to the *Sailor's Magazine*, under date of Honolulu, July 22, 1870: "To-day I have learned what I did not know before—*Chinese seamen are supplying the place of American and European seamen.*" Widely different opinions are manifested. Sometimes passion has been apparent. Feeling the foreshadowings of these issues, and believing that they should be met not passionately or partially, but by a clear exposition of the facts involved, and a calm and candid consideration of the same, and that essential to this is the immediate turning of the thoughts of our educators in this direction, I have inserted in this report a paper by an able writer, who has had special opportunities for considering the questions raised by Chinese immigration and for apprehending education as the main instrumentality in their solution. My purpose will be gained if public attention is so turned to these inquiries that the facts bearing upon them shall be fully brought before the public judgment and receive its decision.

Can any American mind become occupied with these considerations without feeling how much more fully we ought to study oriental civilization, its domestic, educational, and civil ideas, customs, and institutions; how thoroughly we ought to know these peoples as they come to our shores; how wisely we ought to adjust our opinions, our laws, institutions, and method of treating them, that they may not bring to us more harm than we are able to do them good; that this meeting of civilizations may be a steady progression, rather than a deterioration, of the national character?

With regard to certain points connected with the impouring of foreign populations there can be no question. Every newcomer to our soil should acquire a knowledge of the English language; otherwise, we may not anticipate on their part an intelligent acquaintance with the spirit of American life, and consequently they can have no appreciation for it likely to secure adaptation to its peculiarities. Second, all youth, of whatever meaning nationality, should be brought fully under the influence of our best educational opportunities. Third, these two considerations should be specially enforced with reference to girls and women coming with the orientals, that the terrible features of female degradation among them may not be repeated on our shores.

Educators will not fail to observe the great effect that the constant return of so many thousands to China, after having obtained some knowledge of and adaptation to American life, must have on the internal struggles in that empire.

Agitations of the public mind in reference to questions of labor render the relation of education to the results of industry of special present interest. A tendency to hostility between capital and labor has been apparent. Can either afford to suffer the evils likely to arise from an attempt to adjust the differences by an appeal to force? Yet some form of violent action can hardly be avoided if prejudice and ignorance are too prevalent on either side. The parties in interest are put on an equality of citizenship by the very nature of our institutions. There are no great lines of caste any longer acknowledged; getting capital exclusively on one side and poverty on the other; or education on one side and ignorance on the other. If such an order of facts should occur, it must be brought about by the efforts of individuals or classes. Shall such endeavors be made, or the opportunity for them offered? The answer depends upon the ability of the parties interested to appreciate the situation and meet its difficulties by ways and means in accordance with reason and conscience.

There is offered here in America the fairest field for the successful solution of every irritating question arising between capital and labor, without conflict, without harm to either, without a disturbance of the great harmonies necessary to the highest national prosperity. But reason cannot exercise its sway without knowledge, nor knowledge be possessed without the means of its acquisition. Capital and labor must be both able and willing to see and consider each others' interests. Make all of either class able to read, able to discriminate correctly between right and wrong, render intelligence and virtue supreme in deciding their questions of individual interest, lift them up, so that the horizon of each will embrace the interests of all, and the folly and wickedness of an appeal to force or fraud on either hand will be too apparent to invite the attempt. They would then see how much they have in common, how closely and inseparably they are yoked together. Education in its large sense, the development of all the powers of man for the best uses, offers for each interest the grand instrument for the solution of its difficulties.

With this belief, strengthened by the conviction that no question could be more thoroughly national or pertinent, I have addressed a series of inquiries, first, to observers; second, to workingmen; third, to employers, calling for an expression of opinion upon the relation of education to the productiveness of labor. The necessity of the inquiry is strongly enforced by the flat denial on the one hand that education adds to the productiveness of industry; while, on the other, the effort to place this matter beyond controversy is ridiculed as raising questions already long since universally answered in the affirmative.

Three thousand copies of these inquiries were prepared, intended to offer the opportunity of bearing testimony in regard to the points raised, which were sent to every class in every section of the country. Only an attempt to open the investigation is made in this report. An accompanying paper is presented upon the general subject of education and labor, written by one specially interested in the question.

The first question of the series related to the opportunity of the person interrogated to judge correctly, so as to be able to answer the remaining questions; being as to whether he had employed any number of laborers, how many, and in what kind of labor, and where; with appropriate variations when addressed to workingmen and observers.

The other questions were as follows:

2. Have you observed a difference in skill, aptitude, or amount of work executed by persons you have employed, arising from a difference in their education, and independent of their natural abilities? +

3. Do those who can read and write, and who merely possess these rudiments of an education, other things being equal, show any greater skill and fidelity as laborers, skilled or unskilled, or as artisans, than do those who are not able to read and write; and, if so, how much would such additional skill, &c., tend to increase the productiveness of their services, and, consequently, their wages?

5. What increase of ability would a still higher degree of education—a knowledge of the arts and sciences that underlie his occupation, such as a good practical knowledge of arithmetic, bookkeeping, algebra, drawing, &c.—give the laborer in the power of producing wealth, and how much would it increase his wages? +

5. Does this and still further acquisition of knowledge increase the capacity of the workman to meet the exigency of his labor by new methods, or in improvements in implements or machinery; and, if so, how much does this inventive skill add to his power of producing wealth?

6. Would you generally prefer or not a person who has been trained in the common school for the ordinary uses for which labor might be employed over one who has not enjoyed that advantage?

7. Whom would you, as an employer, choose for positions of trust, such as foremen or superintendents, persons unable to read and write, or those having the rudiments of education, or those possessing a superior education, all other things, such as skill, strength, and fidelity, being equal? +

8. What do you regard the effect of mental culture upon the personal and social habits of persons who have been in your employ? Do they, as a class, live in better houses, or with better surroundings? Are they more or less idle and dissipated than the untaught classes? How will they compare for character, for economy, morality, and social influence among their fellows? +

* * * * *

Respecting modifications of the common school system, which have been suggested as corollaries to the answers to these questions, I may add a few words.

First, as respects the ordinary whole-day system, Mr. Edward Atkinson, of the firm of Loring & Atkinson, of Boston, Massachusetts, gives an account of the very great success of a half-time school for the children of the Indian Orchard Mills, established by, and connected with the school system of, Springfield, Massachusetts. In this school half the children work six hours in the morning, and attend school three hours in the afternoon, and the other half go to school three hours in the morning, and work six hours, partly in the morning and partly in the afternoon. Under this arrangement Mr. Atkinson is of opinion that the children "work better and learn more in each hour than those who work or attend school full time," and says that the opportunity attracts the best families to the mill, so that the proprietors have "philanthropy without alms-giving or charity, combined with better profits." Some very remarkable specimens of chirography by children, originally of very small acquirements, who have attended this half-time school for six and twelve months, accompany Mr. Atkinson's letter.

Edward Winslow, of Boston, Massachusetts, the general agent of the Industrial Aid Society for the Prevention of Pauperism, suggests, in reference "to practical education in this country *pari passu* with theoretical, that we are greatly deficient in this respect as compared with all other civilized nations, for we have but few technical or trade schools, and those few are designed for a higher class than that which our society hopes to reach. * * The school at Kensington, established by Prince Albert, has been of infinite value to England not only in cultivating the taste and skill of her artisans; for the export of manufactured articles traceable to that school amounts to £70,000," (or \$350,000.) "A few years ago (1863) only 3,000 students were instructed in the art and technical schools of Paris; in 1867 there were 12,000; and in 1869 there

were 350 schools." After some observations on the superiority of the educated workmen in the ease with which he learns his trade, the improvements in machinery and manipulation that he can make, and the rapidity and perfection of his work, Mr. Winslow goes on to say:

The greatest benefit to be conferred upon our country is to make mechanical and industrial pursuits more respectable, and to educate and train the young for these pursuits. Our systems of instruction are now altogether intellectual, and even this does not go far enough to give the pupils a distaste for manual occupations.

He also suggests the importance of retaining, as part of the system of public education, "moral culture and religious instruction," which "need not be sectarian;" and he closes his letter by saying that "the greatest obstacles to prosperity are found," by the society he represents, "to be want of both moral and mental training in the individuals that come under their care."

Professor J. W. Burns, secretary of the American Artisans' College of Philadelphia, Pennsylvania, writes respecting "the practicability and utility of mechanical and artistic instruction in common schools." He believes that "to make work of the hands and the mind combined leading feature is absolutely necessary to render education an efficient means of mental development and culture. As a vast part of the community depend upon productive occupations for means of subsistence, instruction of children should have for its chief object the development of the faculties which most facilitate mechanical effort." In the schools he has been connected with he finds "that the most intractable boys may be induced to work, and, when the labor is not continued long enough to fatigue, will go to it with pleasure." "Setting type, one of the best exercises in orthography in which a learner can engage." By the "pantagraphic system of instruction, children from five to ten will learn the rudiments of language and sciences pleasantly and rapidly; and if a fair portion of their time from ten to twenty be given to useful work they may be taught mechanic arts thoroughly," &c. "Much of the expense of education may be paid by the work of the pupils."

In support of these opinions he mentions various interesting instances respecting the attendants of the American Artisans' College. He believes both intellectual and moral culture may be stimulated by awards of honors, decorations, degrees, &c., for proficiency, good conduct, &c. to all students in school who seriously endeavor to improve.

In the article upon "The relations of education and labor," which I had prepared as an introduction to the responses from employers, working-men, and observers to the series of questions sent out from this bureau, bearing upon this subject, will be found a condensed summary of the special schools established and supported by the different European governments for the training of their citizens in the arts, sciences, and industries of life. A glance at what is done in this direction by the little kingdom of Würtemberg, with its population of less than two millions, or by the republic of Switzerland, with its twenty industrial schools for girls, is sufficiently suggestive of our own deficiencies.

The extracts from the report of the British workmen who were sent by the London Society of Arts to the Paris Exposition of 1867 are of interest, more especially in view of the great effect that was produced by them upon the English manufacturers, who were then made aware of the danger they were in of losing their boasted supremacy; their lack of trained laborers, and who have gone to work with unusual energy to remedy the fault, by establishing training schools in arts and industries, the good effects of which are already visible.

In the extracts from a report to the Massachusetts legislature,

statement that "there is *no remedy* for the wrong of depriving children of a proper education," and the assertion that the public-school system of New England, so well adapted to a former state of society, *fails* to meet the demands of our modern civilization, contain both the rationale of free public education by the State, and the indictment of the thinkers of to-day against the present system.

The remarks of Dr. Lyon Playfair, at a recent meeting of the British Social Science Association, with which this introductory article closes, would seem to sustain this indictment, and at least challenge attention.

In the answers returned by the employers, workmen, and observers to the circular questions sent out by the Bureau in reference to the effect of education upon industry, as to its giving increase of compensation, and in its general effect upon the condition and value of the laborer as a citizen, from the mere rudiments of knowledge up to the higher technical culture, many interesting facts were elicited, some curious discrepancies and differences of opinion appear, and now and then the underlying problems of political economy, the complex relations between capital and labor are here suggested and there thrown into sharp antagonism.

These answers come from every section of the country and from those engaged in various industries; and in the kind of industry there is found a reason for the difference in the estimate of the value of book-learning, the builder of complex machines seeing far more worth in the higher education of the laborer than the superintendent of the Kansas Railroad, who finds the possession of a certain innate power over men, by his foreman, of higher value than the best education. In the replies of employers, from those requiring great mechanical skill to those dealing with plantation hands, save a few who exclude the colored laborer from the application of the rule, the common testimony is, that ability to read and write adds to the value of the workman and to his pay; the more ready comprehension of directions, the less supervision required, and the ambition of the educated man to rise to do better, being the chief reasons adduced. The rate of increase of wages runs from 10 to 100 per cent., averaging in ordinary cases from 20 to 25 per cent.

In replying to the question as to whether increased knowledge, such as practical knowledge of the sciences underlying his occupation, would add to his wealth-producing power and to his wages, there is a remarkable unanimity, though the replies of the employers show inferentially how rarely such knowledge is found among their employes. The effect would be to lift the man at once up into another and far better paid class; the increase of wages being doubled and trebled over that of the untaught laborer.

In replying to the question as to the increase of knowledge creating inventive ability in the laborer, the problem becomes more complex, as is evident from the limitations expressed by the answers; but the fact remains that, of necessity, increased knowledge avails here in a marked degree; only, to be successful, the inventor needs not only knowledge but will and creative ability.

One employer finds the capacity to do mischief by strikes, &c., increased by training.

The replies of the workmen to the same series of questions are of far more interest than those of the employers, because presenting the subject in a greater variety of views.

The illustrations used by the answering workmen are nearly always remarkably apt and clear, not involved, but distinct and sharp, and generally drawn, of course, from the avocations they pursue.

As to education giving increased skill and aptitude, the testimony of the workmen is that it does almost universally; one remarking that in the business of iron molding, where generally it is least supposed to be of consequence, this result is to be most observed.

As to an ability to read and write conducing to increased "fidelity" and "skill," also to increase of wages, opinions vary, though most agree that it would increase them from 10 to 20 per cent. One great value of so much knowledge is, that those able to read the papers for themselves are not apt to be so unreasonable in their demands nor to engage in strikes; but, knowing the markets, know that increase of wages at a given time is impossible. One writes that "How cheap will you work?" not "How much do you know?" is the question asked by certain employers, and his opinion is that knowledge has little to do with wages. Yet the same authority, in replying to the next question, "As to how much more knowledge will increase wages," bears full testimony to the value of an acquaintance with arithmetic to miners, the class of whom he speaks. So it seems that in this labor to simply read and write is not enough; and his answer, seemingly undervaluing this knowledge, is but a strong plea for more education. Most treat fidelity, faithfulness, honesty, as a matter independent of mere knowledge of the rudiments of education; as moral qualities which are possessed in as high a degree by some who know nothing of the rudiments of education as by those who do. One argues against education increasing the "fidelity" of the laborer, because education enables him to appreciate the wrongs inflicted by capital upon labor, and therefore will not be likely to increase his "fidelity" to those whom he considers his oppressors.

To the query as to the effect and value of still higher education, knowledge of the sciences that underlie his occupation, the answers are very varied, and treat upon nearly all the related questions in the contest between capital and labor. One replies that it would enable a mechanic to take his own contract and receive all the profit coming from his labor; in other words, though the writer does not say so, would transfer him from the rank of those who labor for wages to that of the employer. Another thinks it would increase the wealth of the employer but not of the laborer.

"Mr. Sampson likes his coolies because they are docile and cheap—because they can read and write."

Another finds a drawback in that a youth with this education, to make him a superior workman, thinks it menial to learn a trade: this idea is expressed in different forms by several.

Another states that a thorough knowledge of the material in which an iron-molder works, for instance, would enable him to produce the same results with one-third less labor; but would not necessarily increase his wages. A distinction is drawn by several between the national wealth-producing power and the increased wages of the laborer.

In answer as to whether the increase of inventive skill keeps with increase of general education, one states that during the past years the production of a given number of mechanics has at least done from the improvement in tools. Another says, "It is well known that all labor-saving machinery is the product of the brain of the educated laborer; but for forty years it has resulted in neither less hours for labor nor less physical labor to the laborer. The educated laborer of to-day works as hard and as many hours as the laborer forty years ago—'labor-saving' being money only to those who labor not." All the replies admit the value of education to any one with inventive faculty, though not conceding the whole credit to the fact of education alone.

As to educated persons being preferred for superintendents, foremen, &c., most of the replies concur that they are, but assertions are made of cases to the contrary. Some employers select men of brute force to dominate over their laborers, but the emphatic bitterness with which these facts are stated would seem to show that they are exceptional.

As to the effect of education and culture upon the position and influence of the laborer, the testimony is confirmatory of its value; one believes that the large proportion of criminals are *children of ignorant parents*; another points to the fact that but one in ten of the convicts of New York State is from the mechanic and laboring classes; another finds great advance in the condition of the laborer through the spread of education, and looks to the reducing of the hours of labor to the lowest possible amount as the only hope for increased refinement of that class; another considers this reduction of the hours of labor "the great question of the day;" another would have every child compelled to go to school till the age of sixteen years—a portion of each year at least; another admits the great power of education in elevating the class of workmen in all respects, but says "all is lost in the knowledge that a corrupt government legislates entirely for capital and nothing for honest labor."

From the observers these questions draw forth very different replies from those given by the actual employers and laborers, not in regard to any of the technical questions, as to the general improvement produced by education, but in the reflections induced and by their deductions from the facts.

The question of the kind of education to be given is earnestly discussed, and the omissions which they charge to the common school and high school system are forcibly delineated. The absolute need of technical schools, of furnishing education closely related to the industries of all persons who must work, is strongly presented; while the philosophy of the advantages of education to the laborer is clearly stated by another observer: 1st. In the independence it creates. 2d. In the withdrawal from a lower to a higher sphere of labor, and in thus diminishing the number of the mere laborers and so increasing their wages, wherein lie some of the secrets of the worth of education.

But not mere knowledge of rudiments, not facility in mere exercise, but in the progress of technic art, and in the habit of right thinking and conscientious conduct, is the hope and progress of the American workman.

From the testimony thus given by various classes, from all sections, and among many industries, it is clear that the worth of a common school education to the common laboring man is universally conceded, with the single exception of those speaking of colored laborers; that his value to the community at large is positively increased and his power as a producer, of adding to the common stock of wealth, is materially enhanced by the education given him as a child in the common school. The increase of wages he will receive on account of his knowledge is put at various figures, averaging near 25 per cent. That this increase of value arises, 1st, from the fact of his being more readily instructed in the duties of his work; 2d, that he needs less supervision; 3d, that he does his work to better advantage and therefore produces more in a given time; 4th, that he is less liable to join in unreasonable and unseasonable strikes; 5th, is more industrious; 6th, less dissipated; and, lastly, is less liable to become an expense to the commonwealth through poverty or crime.

That this (which is true of the commonest laboring man who knows little more than to read and write, but who, knowing this, possesses a

marked superiority over his fellows, who are ignorant of these simple rudiments and means of acquiring knowledge) also holds true in regard to additional acquirements, is likewise fully shown.

That a knowledge of the sciences that underlie the occupation gives greatly increased value to their possessor as a laborer is agreed on all hands—no answer so far excepts even the colored laborer. It does this, 1st, by enabling him to avoid dangers, in mining, for instance, to which ignorant men are exposed; 2d, by enabling him to detect and remedy difficulties, which else would cause expense or delay; 3d, by enabling him to discover shorter and simpler methods of work, thereby increasing his powers of production; 4th, by stimulating his qualities of contrivance so that he adjusts and modifies the tools or machines which he uses, and becomes eventually an inventor of simpler and better machines, thus increasing the wealth-producing power not only of himself, but of his fellow laborers. In this direction it is estimated that his value is increased 100 per cent., while in certain exceptional cases the gain is incalculable. But after admitting all these arguments in favor of the increased value of the laborer who possesses this higher education, it is clear, from the evidence of all, that the chief value and greatest advantage of such increased knowledge arise from the fact that it advances the well-being of its possessor. By virtue of increased education he commands higher wages for his services, and also adds largely to the common production.

Looking merely at its economic value, these answers go to prove that the community receives an ample return for whatever of money it invests in the education of its citizens. Since this is demonstrated, it adds force to the arguments now being urged for technical education, for special training in the several industrial fields; for, if the teaching of the simple rudiments and general instruction give so rich a return to the State, how much greater and more certain results may be relied upon from special training for special labor. This question, which has been so fully tested by the technical schools of the European governments, is attracting attention here, and we are not surprised that dissatisfaction is openly expressed that the high schools furnish no opportunity for training in the practical industries of life.

The argument, as stated here, rests on an entirely different basis from that presented by the professional man—mortified that his country possesses no schools for professional training equal to those of Europe.

This is the plea of the citizen who finds in the higher branches of the public schools an utter failure to give that training which fits for varied practical occupations. The point is well taken, and merits consideration. It is a plea for artisan, art, industrial, and scientific schools as a part of the common school system—a plea based upon the economic value to the state of such training to its citizens.

The questions of the hours of labor, of the relations between capital and labor, of the importation of cheap Chinese labor, of the alleged discrimination in legislation in favor of capital and against labor, all come up in varied forms and show an activity of thought among the working-men which will require to be met by intelligent argument if we would avoid in this country that impending conflict between the producing and capitalist classes, to avert which is occupying the thought of the ablest minds of the Old World.

These questions cannot be ignored, and the only safe solution of problems so complex and so vital lies in the general dissemination of education among all citizens of the state, so that the capitalist shall be taught as well as the laborer, (and in this country the classes and terms are con-

tinually interchangeable, the laborer becoming capitalist, and often, by sudden reverse of fortune, the capitalist becoming laborer,) and that all shall come to see that there is no necessary antagonism between these fellow workers, for the interests of the laborer rest everywhere upon capital, which is nothing but the sum of surplus labor, and that capital is vitally interested in the improvement, intelligence, and prosperity of the laborer.

To short-sighted grasping capitalists and ignorant laborers this often seems the reverse of the truth, but the repetitions of history again and again demonstrate its unchangeable verity. As labor emancipates and owns itself, health and prosperity come to the nation; as it is enslaved and owned, the capitalists becoming stronger and the laborer weaker, luxury increases and the semblance of prosperity deceives the nation; but this false semblance of strength meets with sudden catastrophe, as yesterday with the slave system of America, to-day with the hollow pretension of imperial France.

It is this danger, inherent to labor which can be controlled in mass, which arouses the instinctive hostility of free laborers to importations of Chinese contract labor. It is clear from the answers drawn out by these simple educational questions that all classes are interested in education, and that the subject includes many topics and is linked with all political and economic problems.

This report goes to press while the answers and opinions coming in from all quarters of the country are increasing in interest. My hope is that they will continue to come until every inquiry sent out has been answered.

Then, should it be possible, I expect to use all the material in hand in treating this and the related questions towards which so many of the answers have so naturally directed attention.

The special need of this will be most felt by those who know best the strong but exceptional convictions prevailing in many minds, that it is ignominious and dangerous to give colored laborers a rudimentary education as noted above.

However faulty or blind any of these opinions may be in our judgment, it becomes us, in view of the gravity of the interests at stake, to bring the whole subject under the most wide and correct observation and examination, both as regards facts and opinions, that truth may have a fair chance at every honest mind, and correct ideas of what education is and of what its benefits are to all races and classes may be universally disseminated.

COSMOPOLITAN, HALF TIME, AND EVENING SCHOOLS.

The combination of people speaking various foreign languages, in San Francisco and Sacramento, has led to the establishment of schools known as cosmopolitan, in which the necessity for learning these languages is measurably met. All our cities have men and women, so pressed with the labors necessary for their support that they have no time save the evening for self-improvement. Many of these persons have had no previous opportunity even for rudimentary education. Not a few of those who attend these schools are willing to make any effort for self-improvement. Sometimes the father and son, or the mother and daughter, occupy the same desk. In Jersey City the attendance of the girls was better than that of the boys. In the girls' school one-sixth of the average attendance were never absent. One of the girls, who was obliged to walk a distance of more than two miles, was never absent.

In Providence many attend these evening schools, going directly from their work in the mills, or other places, without waiting for their supper, and making greater progress in five months than others attending the regular schools in a year. "A young factory girl, Miss Eliza A. Boyle," says the Providence report, "has in this way, in four years, acquired an education equal to that of the graduates of the high schools." One young man, a mechanic, is mentioned, who is studying with a view to enter college. He commenced arithmetic the previous year, finished it last year, and made considerable progress in English and Latin grammar and algebra. Another is reported as "working diligently at his trade, that of a belt-maker, improving his leisure hours by study, and attending evening schools with persistent regularity." In three years he finished a preparatory course in Latin, Greek, and mathematics, and entered Brown University.

In the evening schools in Springfield, Massachusetts, 43 of the operatives who made their mark upon the "pay-rolls" in November, wrote their names at the February payment following. St. Louis affords opportunity for special instruction in German in evening schools.

Half-time schools or partial-time schools, so common in European cities, have been attempted in this country only to a limited degree. They have been conducted on various plans, and are intended to accommodate children who are compelled to labor for the support of themselves or their parents. The effort is made to give the children a fair compensation for whatever services they render. They are a part of the day at work and a part at school, the hours at school proving a genuine rest, the interest being so great that there is no truancy; and the owners of the mills reporting that where there was lost time before these schools were opened there is now none.

TEACHING GERMAN.

In close connection with this matter of foreign education and foreign inquiries is the subject of teaching foreign languages in our country: more especially the teaching of German, on account of the preponderance of the German-speaking element over those of our foreign population speaking other than the English language.

Reference is made to the article on this subject among the accompanying papers.

NON-ATTENDANCE, ABSENTEEISM, AND TRUANCY.

The immense amount of illiteracy in the country is a most significant fact, pointing to non-attendance. This prevails alike in country and city, though with great differences in results. The large country districts, sparsely settled, present formidable obstacles to the location of schools so that all can attend. The rural occupations of such a population and absence from special vices of the town expose them less to the injuries of ignorance. All enterprise, however, all high products of industry, all proper development of civilization, must suffer in such communities. But this non-attendance of the population of school age in our cities, increased by absentees and truants, is the grand source from which are supplied all the developments of vice and crime against person and property. These three evils are noticed in some form of complaint in almost every State and city report. Each is sufficient to imperil the interests of any community.

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poverty of parents, the inconvenience of location of school-houses, the unattractiveness of the school-houses, the insufficiency of school accommodations, and the inefficiency of school teachers, are among those generally given. But the causes are sufficiently apparent in any community to those who will look after them carefully.

How can they be overcome, and their consequences remedied? The public sentiment of each community must answer. Nothing adequate, however, may be expected if the facts are not looked up by the teachers, the police, and other city authorities, and brought home to the feelings of the citizens. It is useless to say that these evils cannot be removed. If they are irremediable, we must admit the alarming fact that many of our cities are fast becoming unsafe as places of residence for honest and decent people. Life would lose its security and property its value. The conduct of school officers and teachers sometimes, by their indifference, suggests that the remedy should begin with them. In these cases they conduct the schools as if they were intended only for their own convenience, and for the benefit of scholars that they may choose to retain within them. Too many reports never recognize this element, never include the whole population of school age. Average attendance and percentage of attendance are made out on the basis of enrollment; whereas the standard in every case, for the system or the school, should be the education of the whole number who ought to be in school. Every system and every school should compare what it does with what it ought to do for the whole number of children for which it is responsible.

It is important to show the evils resulting from the running away or absence of those who are registered in the school; but the representation, if truthful and complete, would include the corresponding facts with regard to those who never appear in the school-room. Go up and

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down our cities, how few can even seat and how many less can give instruction to the total number of children of school age? Not a single State can do this. It may be said then, first, that the idea must be corrected in the minds of school officers and teachers; second, there must be ample instruction and accommodations for the entire population of school age; third, every appropriate measure must be adopted to overcome the indifference of parents; and, fourth, if the evil is not otherwise remedied, the law should imperatively require every child to receive instruction, at least in the rudiments of an English education, a certain number of months each year within the period of proper school age. These things not only ought to be, and are essential to the public good, but they have been done and well done. Boston long since showed approximately, how education can be guaranteed to every child in an American city. Massachusetts furnishes a good law, and the respective municipalities put it into efficient operation. Municipal officers, teachers, police, heartily unite, and favorable results are reported. New York has a good law, but it is well-nigh without enforcement. Whatever operates against one of these evils has a favorable effect upon each of the others. The absolute prevention of non-attendance will gradually reduce absenteeism and truancy.

The superintendent at St. Paul, Minnesota, makes the following remarkable statement:

I have reason to believe that, through the public schools and the private schools of the city, all the children of the city are in attendance upon a course of education.

With the concurrence of the chief of police and his force, truancy is scarcely known in the city during school hours. In no part of the city, neither in the town, nor the streets, nor at the depots, nor in the suburbs, will children be found during school hours. I take pride in calling attention to the fact, and have invoked the assistance of the police, on the assumption that a vagrant child is as much under their supervision as a vagrant man, and I am happy to know that they are in full sympathy with myself on that subject.

The average cost of instruction in the public schools for the past year, per scholar, as enrolled, has been \$10 55, but eleven cents in excess of last year.

WOMAN'S INTEREST IN EDUCATION.

Nowhere else in the world does education open to woman a sphere, on the whole, so attractive as in America. She has won for herself here acknowledged superiority over man in the primary training of children. Her supremacy in the profession of teaching has long been conceded in Massachusetts. Her excellence as a teacher is more and more acknowledged from the Atlantic to the Pacific, and finds a fitting statement in the language of the State superintendent of California, who says: "The functions of the teacher's office are especially suited to women. They are the natural educators of the young."

But woman's interest in education consists not merely in what has already been accomplished. Her disabilities and sufferings have not been so universally considered and relieved as have those of man. The honors and duties of the family state are not duly appreciated. Women are not trained for these and other duties as men are trained for trades and professions. Numerous institutions are richly endowed with money, with teachers of the highest talent and acquirements, extensive libraries, and abundant apparatus for the benefit of men.

"Woman's profession, about which there is no dispute, embraces the care and nursing of the body in the critical periods of infancy and sickness, the training of the human mind in the most impressible period of childhood, the instruction and control of servants, and most of the government and economies of the household. These duties of woman are

as sacred and important as any ordained to man; and yet no such advantages for preparation have been accorded to her, nor is there any qualified body to certify the public that a woman is duly prepared to give proper instruction in her profession."

Why should not woman, as well as man, have first a thorough elementary training; and if opportunities and circumstances like those of man suggest a liberal education, why should she not have also a thorough preparation and a fair opportunity for the highest culture she seeks? The questions arising here are still matters of experiment. The greatest amount of *ex cathedra* declaration will not avail to convince the public judgment. The solution and its acceptance must come by the usual process of a fair opportunity for trial, a thorough test of results, and a general acquaintance with them. None of these conditions yet exist. Hasty or partial conclusions will not bring them. The progress in the last forty years has been great, and encourages every well-directed endeavor. All who inquire in this direction may well turn their attention to the figures presented in the accompanying tables, so far as the question of sex appears. An extended opportunity for their study is afforded.

Turning to the tables of illiteracy, curiosity will be interested in observing that in 1850, in Maine and Wisconsin, the illiteracy of the sexes was equal, there being 3,000 of each. In New Hampshire there were twice as many illiterate men as women, there being 2,000 of the former and 1,000 of the latter. In Rhode Island the ratio was two to one, the men being the more intelligent. Vermont had 7,000 illiterates, the males exceeding the females by 1,000. In 1860, in Maine, the sexes were still equal in their illiteracy. In New Hampshire there were 2,000 males and 3,000 females unable to read and write. But these facts cannot be pursued far without meeting those reaching beyond curiosity and arousing the deepest solicitude of the patriotic and philanthropic mind. In the total adult illiteracy of the country, as reported in the census of 1860, there were 1,364,236 males and 1,588,003 females, the number of the latter exceeding the former by 223,767.

Here, at the very base of the pyramid of our national intelligence, we are met by this appalling fact, that women, even in this land where they are most favored, are not so generally trained in the rudiments of learning as men. Passing upward to secondary instruction, it will be noted that, however imperfect this is for men, it is much more frivolous, lacking in thoroughness, and occupied with so-called accomplishments for women. A few separate first-class institutions have been established for them after the most serious struggles. In spite of the great good they have accomplished, many still doubt and sneer. Endowments are few and limited. Secondary training for women, offered in institutions established by the State, is chiefly in the direction of preparation for teaching afforded in normal schools. In some of the academics, where females are admitted on an equal footing with males, an excellent and thorough work is done. The same remark is becoming more generally true of the institutions of this grade established for the separate training of females.* But their opportunity, more multiplied and more productive of results than any other, is in the high schools of the graded system. Where these exist, as they do in almost every city of the country, females have an equal opportunity with males, and, in a very large number of high schools, constitute the majority in attendance as well as of graduates.

Near Newton Centre, Massachusetts, a horticultural school for women has been opened. Where opportunities offer, she is succeeding admirably.

bly in telegraphy and in schools of drawing and design. The free art school in Cooper Institute, for women, had during the last year 231 pupils; in the wood engraving school, 25; and in that for telegraphy, 82. Her triumphs are becoming more and more numerous in all the work connected with letters and books. Leaving all doubtful disputes to those who have an opportunity for them, all educators and philanthropists may unite in the conviction that every woman in the land should have the opportunity for education which her faithful and successful discharge of the responsibilities and duties devolving upon her requires.

Examining the opportunities for the participation of woman in superior education, we find her greatest disadvantages. Oberlin and some other colleges have admitted her to the same course of study with men, and given her the same diploma. There is an increasing tendency to do this, and yet, with the most ardent advocates, there is apparently some misgiving about the results. Dr. Raymond, president of Vassar College, expresses a very general conviction when he observes that a liberal education for women is not, in all its details, precisely the same thing as a liberal education for men. Professional and technical education for woman progresses slowly, and is embarrassed by surprising distrusters. Her facility in the use of the needle has long since ceased to be challenged by a doubt. In the days of apprenticeship the girls were put to learn the trades which had for their object the preparation of the wardrobe for either sex; but apprenticeship has passed away, and no appropriate schools have been devised to take its place. The superiority of woman in nursing the sick is universally acknowledged, and all the delicate and complicated responsibilities of that service are thrust upon her, while no opportunity is afforded for special training for it. Compelled in every pursuit which she undertakes to gain an honest livelihood, to produce work of equal merit to that of man, in nothing save teaching is she afforded the same opportunity for preparation, while her compensation, generally less, is often one-half below that received by man for similar services.

Next to the normal school the commercial and medical colleges are doing the most for woman's special education. Limited experiments have been attempted here and there, seeking to provide special instruction and training for woman in various other industries.

ILLITERACY.

So great is the necessity of accurate and complete information in regard to the illiteracy of the country to any well-considered discussion of the educational necessities of the hour, that I have republished from Dr. Barnard's report on education in the District of Columbia, in the accompanying papers, an article on the subject, with carefully prepared tables and views.

These tables, prepared with great accuracy, and bringing within a small space and in a new form the statistics of illiteracy for two decades, form an interesting study for the political economist. Though reprinted just as the results of the ninth census are about to be made known, they are none the less indispensable for the purposes of information and comparison.

PROSCRIPTION OF RACES IN ELEMENTARY EDUCATION.

The friends of universal education will be struck with the numerous indications, still remaining, of the proscription of races in elementary

education. The fact is one especially demanding the attention of the nation. It strikes at the vitals of every interest. If peoples come to us our only hope of self-preservation is in their education. In some of the States where school systems have been long successful, as in Illinois and Indiana, the prejudice against the colored population slowly disappears. In a late report of schools in Indiana it is observed in regard to the colored population, that "after being denied all use of the school fund, and thus taxed, they have been under the necessity of levying on themselves an additional tax to build their own school-houses and for the entire cost of their tuition." The school law of Nevada provides that "negroes, Mongolians, and Indians shall not be admitted into the public schools, but the board of trustees of any district may establish a separate school for their education, and use the public school funds for the support of the same." This interdict mainly effects the negro race, since neither Mongolian nor Indian children, except a few living in white families, manifest any desire to attend the public schools, and, there being but few colored people in any single locality, the permissive provision is practically inoperative. But one colored school was attempted in the State during the year, and it was soon discontinued on account of extraordinary expense, and, as a consequence, the superintendent states, "we have growing up among us a class of juvenile pariahs, condemned by our State to ignorance and its attendant vices."

In California children of African, Indian, or Mongolian descent, whose education can be provided for in no other way, may be permitted, by a majority vote of the trustees, to attend schools for white children, in case a majority of the parents of such children make no objection.

The attempt to establish a day school for the Chinese in San Francisco proved a failure. The board of education therefore opened an evening school for this class, which has been successful. The whole number of pupils enrolled was 277; average daily attendance, 274. The school is doing good. It is estimated that the Chinese pay about one twentieth of the taxes in the city.

The most striking indications of this proscription of races in elementary education appear in the reports of those States and cities where slavery has been lately abolished. In the cities, however, the proscription is less manifest than in the country districts. In Nashville, Memphis, and New Orleans the colored pupils are supplied with school privileges in the public systems, while in the country districts of the States in which these cities are situated the prejudice against colored education amounts well nigh to a prohibition; and there is not among the people that knowledge of the benefits of elementary education to all classes which is needed to overcome the notions inculcated in the interests of slavery against the education of colored laborers; some employers, in their ignorance, holding that a knowledge of reading and writing would decrease the efficiency of their colored employes.

TEACHERS AND THEIR PREPARATION.

All educational improvements concentrate themselves upon the work of the teacher. He is professedly the educator. The young are specially and formally committed to him for certain hours during a long period of their youth. They bring to him their various natures, and the effect already received from parents, from home, from the surrounding community, and the influences of material nature. With these germs of character placed in their hands, the teachers make the nation. To no other class is the future of America so fully committed. Therefore, what

the character of the American teacher is in the various grades of instruction, how he is prepared, what he proposes, what he does, and with what instrumentalities he labors, most deeply concern the body politic. This statement of the responsibility and public concern that centers in the teacher implies no disparagement of the influence of the parent, the pulpit, the press, the forum, or any of the other mighty educational forces. These, with the exception of the parent, operate chiefly upon the adult mind. Legislators, who determine the very framework according to which justice among the people is administered, can only make laws; the pulpit is limited to those who can hear intelligently; the press, to those who can read understandingly; but the teacher determines to what extent and in what degree there shall be any intelligent reading and hearing, and, in effect, largely shapes the sentiment which decides whether the law shall be a living or a dead letter.

The action of the General Government in the past, chiefly manifested in granting lands for common schools, universities, or colleges of agriculture and the mechanic arts, has never distinctively considered this important agency in determining the character of the nation. The rewards of the most skillful instruction have never warranted the profession in making special expenditures in its own behalf, either in the establishment of schools, the production of literature, or the acquisition of skill. The work of teaching among us has been too much a mere makeshift, something to be resorted to when nothing else could be done. Large-minded educators, however, alive to the considerations here suggested, have induced various States at first, (those taking the lead in reforming school affairs,) and afterward others, as they became disposed to elevate the character of their citizens, to establish schools or provide special instruction for the training of teachers. These schools, however infelicitously, are described as normal. All intelligent sentiment on the subject considers them essential. The importance of extending correct ideas, the inadequacy of what has already been done, and the lively interest felt in what should be done, especially in those States just now establishing systems of free common schools, have led me to introduce two papers covering branches of this subject. No friend of good training can fail to be quickened and aided in studying them.

If any one will examine the publications of the General Government, he will be surprised to find the multiplicity of documents, each more or less directly aiding every other profession, to observe how few have ever been issued at all specially adapted to improve the methods of teaching or the qualifications of teachers. The two hundred thousand men and women engaged in the various departments of instruction, it would seem, would themselves constitute a class worthy of some attention in this particular, even aside from the importance of their responsibilities. But when it is remembered that through them especially the character of the nation for the future is to be modified, elevated, or degraded, how are all objections overcome, and the supreme importance of appropriate publications for their benefit enforced? Their success or failure must determine whether the universality of suffrage is to be safe or perilous; whether the reception upon our soil, or the enlargement of our borders by the incoming of foreign peoples, is to destroy the essential character of our ideas and institutions of liberty, or whether there is to be in the nation a capacity thus to receive and at the same time to assimilate to itself all coming peoples and commonwealths; whether America is to lead or fall behind in the march of human progress.

EDUCATIONAL ASSOCIATIONS.

No nation excels the United States in the benefits derived from voluntary associations. The summarized reports of these meetings, though of necessity given here in a condensed form, show a very general and gratifying interest in the educational questions of the day on the part of these instructors. A glance over the topics discussed will show how varied and all-embracing are the subjects suggested and comprehended by the term "Educational." It is unfortunate that the able papers presented at these meetings are so often never published.

Massachusetts successfully introduced the principles of subdivision into her State teachers' associations. Several of the national associations at their last meetings effected a similar arrangement. Should they thus succeed by securing a degree of diversity sufficient to comprehend all classes of professional educators, teachers in elementary and secondary schools, professors in technical and professional training schools, and presidents and other college officers, and school superintendents, State and county, and members of school boards, so that each shall receive some special aid in his own peculiar duties, yet all come together for a few addresses and the consideration of those general topics of equal interest to all, much will be done to render universal the sympathy which each specialty requires, many foolish misunderstandings and attendant jealousies would vanish, every one bringing some contribution of interest to the great gathering would carry away with him some new means of benefiting those under his instruction or supervision.

The importance of general public sympathy in the exercises of these meetings should not be overlooked. Repeated in every State, county, and city, they cannot fail to prove one of the most important means of advancing all the interests of education, general and local.

I regret that when the summaries of these meetings presented were prepared the reports of the recent meeting in Massachusetts and of the National Baptist Educational Association were not at hand.

Dr. Steffen's letter alludes to an interesting meeting of German teachers at Louisville, Kentucky.

SCHOOL SUPERVISION.

It is hardly possible to separate school supervision from efficient instruction and training. The private teacher who seeks the greatest excellence desires some one besides himself—parent or educator—to visit his school, and lend it the inspiration of his approval. Colleges and academies appoint examiners outside of their own boards of control and instruction. The earliest district school subjected the teacher to the authority and inspection of a committee. The larger and more philosophical adaptation of supervision has come with the greater enlargement of our communities and educational institutions. No State or city system proposing the highest efficiency presumes to do without it. Delaware, Oregon, Tennessee, and Texas are the only States without a central school office, and the condition of their schools affords all the commentary needed upon this omission.

The progress of school improvements, however, is not satisfied with the simple idea of supervision, but is active in subdividing and subordinating the labor, so as to meet all the resistance from ignorance, from the changing sentiment of communities, and the limited average time that teachers are devoted to their profession. With a view to aiding the endeavors of various educators in this direction, by grouping to-

gether opinions and facts, I sent out a series of inquiries, which, together with the answers returned, will be found among the accompanying papers. What is there among us that requires higher character, greater administrative ability and attainments, than this work of supervision, the object of which is to observe and direct the intellectual and moral life of their respective communities? From these answers something of the diversity of fact and opinion with regard to the functions of supervision will be manifest. How imperfectly these duties are understood and appreciated, how poorly paid! What a lack of economic wisdom, in certain communities, do the facts presented exhibit! There are some excellent exceptions.

M. B. Anderson, LL. D., president of the University of Rochester, observed recently in an educational convention:

I speak it without exception, and I know what I say to be true, all our men are overworked and underpaid. There is no class of men, in the world or in the church, at this day, who require so much of intellectual power, attainments, and expense in their education, who are so miserably paid, and so prodigiously overworked, as those who are engaged in education in all its departments, from the lowest to the highest. We can never become a civilized people, in the highest sense of the word, until we are willing to pay for the brain-labor that is engaged in the work of education.

The abstracts of State and city reports give some notion of the ability of these supervising officers. Any competent and well-informed judge, I believe, will affirm that no other administrative documents issued by our States and cities are equal to these school reports. Yet, often how meager the salary of the superintendent, how manifold the duties, and inadequate the assistance. Rare skill and high responsibilities are not so unwisely limited in any of our railroad, banking, or other private or corporate bodies. How often these officers have the aid of only a single clerk, or less. Instead of bringing his high attainments and his whole soul to the communication of the best ideas and improvements in instruction and discipline to the numerous teachers, and securing their benefit to every child under supervision, the superintendent is often occupied, and his energies exhausted, with details which could be performed by a good clerk. Again, there is no official assistant, where there should be one, two, three, or more.

It is gratifying to observe that these considerations are taking effect in many places; the duties are subdivided, the offices are well manned with assistants and clerks; there is appropriately a separate officer in charge of buildings, another in charge of purchases, and the territory is subdivided so that the subordinate inspector of schools is able to communicate the excellencies of the system and method adopted by the general supervision to every teacher. Special attention is invited to the progress made in Boston and Cleveland in the subdivision of city supervision. One great fault is, undoubtedly, the too frequent change in these supervising officers.

AN AMERICAN UNIVERSITY.

Attention is asked to the report in reference to the establishment of an American university, which was made to the National Teachers' Association at Cleveland, Ohio, August 20, 1870. The need of such an institution of learning is forcibly urged. I would suggest in this connection that the United States already possesses, within the limits of the city of Washington, some of the essential elements.

The nuclei of a grand national university, which in time could be made worthy of the nation, in the Botanical Garden, the Smithsonian Institution, the splendid law libraries, the Army Medical Museum, the

rapidly increasing Congressional Library, the centering here of all these appliances for such a grand institution of learning, may suggest a practical way in which the Government may aid in founding such a school for universal culture as shall draw to itself private beneficence, and result in that long-hoped-for institution, the American university.

* * * * *

PUBLIC PARKS.

Public parks have very appropriately been called the lungs of great cities, and their importance as a means of health and enjoyment to the inhabitants is too obvious to need comment; but fine, large, and conveniently located parks likewise exercise a very striking educational influence, manifesting itself in certain changes of taste and of habits, and consequently in the requirements of the people. The truth of these remarks has long since been fully recognized in most of the states of Europe, and many of our own large cities have nobly emulated this example by appropriating tracts of land and large sums of money for laying out public parks. The move in this direction has been constantly on the increase throughout the whole country, but as yet no complete exhibit of all the facts connected with this subject has been given, chiefly on account of the want of sufficient material. From the few reports sent to this Bureau we select the following statistical facts:

San Francisco, California.—Public park of 1,013 acres, (unimproved.)

Baltimore, Maryland.—Druid Hill Park, (no report.)

Boston, Massachusetts.—Preliminary steps taken to acquire a park.

St. Louis, Missouri.—Fourteen parks, (395.64 acres;) amount expended, \$121,497 26.

Orange, New Jersey.—Llewellyn Park, (800 acres.)

New York, New York.—Central Park, (no report.)

Brooklyn, New York.—Prospect Park, (no report.)

Albany, New York.—Park but just commenced.

Buffalo, New York.—Land bought for a park.

Cincinnati, Ohio.—Eden Park, (200 acres.) Proposed park, (500 acres.)

Philadelphia, Pennsylvania.—Fairmount Park, (largely extended last year;) amount expended, \$3,208,269 88.

Washington, D. C.—Various recommendations have been made with regard to public parks, but no general plan has been adopted.

* * * * *

Bulwer, in one of his works, (Eugene Aram,) remarks that, wherever he saw flowers in the peasants' little gardens by the roadside, this circumstance indicated a higher degree of culture, an advance in civilization, showing some appreciation for the beautiful, and the fact that poverty was not so great as to have all other cares absorbed in the one great case of eking out a bare existence. These remarks are applicable to nations as well as to individuals. Every nation, in its development, passes through stages of existence similar to those.

STATISTICAL TABLES.

The statistical tables accompanying the report, though essential to the work of all large-minded and philosophical educators, are not expected to be attractive as popular reading. The disadvantages and embarrassments under which these summaries of facts have been attempted cannot be described, nor can they be understood outside of the office. The decennial United States census has been the main source of information in these particulars. How inadequate and imper-

fect the material thus furnished has been only those can know who have had occasion to work out from it practical results for the use of the general public. Other attempts outside of the census have been partial, limited, and very little published from them in such form as to be valuable for aid in undertaking the accompanying collections.

My predecessor, Hon. Henry Barnard, had bestowed upon the whole field great attention and labor, and had specially sought to generalize and classify the statistics corresponding in a measure to Tables I and II, and those in regard to cities, with results exceedingly valuable to every educator, if published, yet very unsatisfactory to his own judgment.

The educational argument in any community reaches outside of its own boundaries. Limited to them, it may lead astray by its lack of scope and far-reaching generalizations. Every school-room must guide and enforce its methods, not merely from what is exhibited of humanity and truth within its own walls, but in certain things must make them accordant to the principles of growth universal in the human race. The teacher and school officer must make the largest draughts on human knowledge and experience in determining the direction of their movements and the standards of excellence. Education allows no room for narrow-mindedness or illiberality.

The accompanying general tables have received an incalculable amount of attention and care in preparation and revision, in the hope that they may contribute something to the advantage of every person, parent, teacher, or school officer who has sufficient interest in this work to study them. They are in no sense to be regarded as perfect, but as pointing to something of the excellence and completeness to be sought in the future.

The tables connected with the State and city abstracts are given so fully for several reasons. They have a positive value for the student of these subjects in their present form. The use of statistics in the guidance of any of our social or civil affairs is in its infancy. The diverse material from the numerous and widely separated portions of our country has never yet been collated for the satisfactory study of the educational statistician, upon whom we must depend to give them their best shape and whatever approximation they are to have to uniformity, and to deduce from them the great lessons needed in the establishment of schools, the education of teachers, and the training of the young.

A greater amount of these statistics has been given in this first résumé, in order that their great diversity, peculiarity, and irregularity may be duly understood and attention appropriately turned to their improvement. Figures cannot, indeed, take up and fully represent mind, or its progress in virtue or vice; but they must form the chief basis from which to determine the excellence or deficiency of different methods of culture.

Tables 1, 2, 3, 4, 5, and 6 were first prepared, as fully as possible from the material in the Bureau, and printed, and a copy was sent to every person responsible for the statement against each State, college, or other institution reported, with a printed slip.

It was my intention to have presented the final result of State efforts in several forms. The inadequacy of material from which such results could be drawn will be seen by reference to Tables I and II.

A single line of comparison, however, only is here attempted from the facts in these tables, which is found for each State by dividing the whole amount reported as expended for public schools by the total population of school age.

From the report furnished by General Pitcher, Superintendent of the

Military Academy at West Point, we also find the per cent. of those examined for admission during the last fifteen years who failed on account of literary incompetency. As these candidates are nominated, as a rule, one from each congressional district, this result will show something of the quality of education in each State, while the percentage of adult illiteracy from the census of 1860 will indicate the condition of intelligence at that date.

Graduated table, showing the amount expended by the different States for the education of each child, of their school age, &c.

Number.	States.	Public school expenditure per capita of school pop- ulation.	From census of 1860, per- centage of illiterates over 20 to population over 20.	Percentage of failures at entrance examination in the Military Academy for 15 years.
1	Nevada.....	19.17+		.85+
2	Massachusetts.....	16.45+	6.55	.09+
3	California.....	11.44+	7.56	.30
4	Connecticut.....	10.59+	3.90	.97+
5	Pennsylvania.....	7.86+	5.68	.15+
6	Illinois.....	7.83+	7.37	.12+
7	Iowa.....	7.91+	6.96	.16+
8	New York.....	6.83+	5.81	.15+
9	Vermont.....	6.47+	5.09	.07+
10	Kansas.....	6.45-	5.68	.50
11	Ohio.....	6.43+	5.74	.35
12	Michigan.....	6.40+	4.99	.97+
13	New Jersey.....	6.38+	6.58	.03+
14	Rhode Island.....	6.20+	6.07	.00
15	Minnesota.....	5.71-	5.67	.18+
16	Wisconsin.....	4.98+	4.53	.18+
17	Maine.....	4.78+	2.93	.15+
18	Maryland.....	4.50+	22.10	.15+
19	New Hampshire.....	4.46+	2.46	.07+
20	Arkansas.....	3.97+	39.42	.36
21	Louisiana.....	2.84+	53.25	.16+
22	Delaware.....	2.70+	25.30	.45+
23	Missouri.....	2.65+	19.76	.31+
24	Nebraska.....	2.65+		.30
25	Indiana.....	2.37+	10.41	.33+
26	Alabama.....	1.49+	54.61	.34+
27	Tennessee.....	1.81+	38.09	.25+
28	Florida.....	1.81+	52.53	.00
29	Kentucky.....	.60+	31.61	.28+
30	North Carolina.....	.46+	47.34	.18+

* School population from United States census of 1860; school expenditure of 1868.

† School population from United States census of 1860; school expenditure of 1869-70.

‡ School population from United States census of 1860; school expenditure of 1869.

NOTE.—The school expenditure in the States of Oregon and South Carolina, the school expenditure and school population in the States of Georgia, Texas, and Virginia, and the school population of West Virginia are not ascertainable by reports.

COLLEGES, ETC., IN THE UNITED STATES.

The statistics of colleges in the United States, presented in Table III, are necessarily imperfect, as indeed are all the statistics presented in this report; their accuracy depending entirely on the interest taken by the individual institutions mentioned. Every attempt has been made consistent with the limited time allowed. At the time this report is being written there is very little known—about 80 of the 369 in this table. As the tables will be corrected to the very latest possible moment, I will not attempt here to furnish a complete résumé, but only such as I have the materials for at the present time.

Of the 369 colleges, then, there are—

In Alabama.....	4	In New Hampshire.....	1
In Arkansas.....	1	In New Jersey.....	6
In California.....	15	In New York.....	27
In Connecticut.....	3	In North Carolina.....	10
In Delaware.....	2	In Ohio.....	35
In Georgia.....	21	In Oregon.....	4
In Illinois.....	28	In Pennsylvania.....	34
In Indiana.....	19	In Rhode Island.....	1
In Iowa.....	13	In South Carolina.....	7
In Kansas.....	7	In Tennessee.....	20
In Kentucky.....	10	In Texas.....	4
In Louisiana.....	7	In Vermont.....	3
In Maine.....	4	In Virginia.....	11
In Maryland.....	10	In West Virginia.....	3
In Massachusetts.....	6	In Wisconsin.....	14
In Michigan.....	7	In District of Columbia.....	4
In Minnesota.....	2	In Utah Territory.....	1
In Mississippi.....	5	In Washington Territory.....	1
In Missouri.....	14		

Of the 369 colleges, 25 are under the supervision of States; 1 of a city, and 1 of the masonic fraternity; supervisory power over 83 is undetermined. The remaining 259 are divided among the denominations as follows:

Methodist Episcopal.....	60	Friends.....	3
Roman Catholic.....	47	Universalist.....	3
Baptist.....	37	United Presbyterian.....	2
Presbyterian.....	28	Free Will Baptist.....	2
Congregational.....	19	Moravian.....	1
Protestant Episcopal.....	16	African Methodist Episcopal.....	1
Lutheran.....	7	Reformed Dutch.....	1
Church of Christ.....	7	New Church.....	1
German Reformed.....	5	Latter Day Saints.....	1
United Brethren.....	4	Unitarian.....	1
Cumberland Presbyterian.....	3		

In the 299 colleges reporting, (up to date,) there were 3,201 instructors and over 54,500 pupils. One hundred and sixty-seven colleges instruct males only; 54 instruct females only; 77 admit both; and of 71 the sex of the students is unknown.

THEOLOGICAL SEMINARIES.

From the best information in possession of this Bureau at the time of preparing this statement, the number of theological seminaries in the United States is as follows: In Alabama, 1; in California, 2; Connecticut, 3; Georgia, 1; Illinois, 10; Iowa, 3; Kentucky, 6; Louisiana, 1; Maine, 2; Maryland, 2; Massachusetts, 6; Michigan, 1; Minnesota, 1; Missouri, 2; New Jersey, 3; New York, 11; Ohio, 9; Pennsylvania, 15; South Carolina, 3; Tennessee, 1; Texas, 1; Virginia, 4; Wisconsin, 4; District of Columbia, 1; total, 93.

These are divided among the following denominations:

Denomination.	Number of seminaries.	Number of instructors.	Number of scholars.
Roman Catholic.....	10	64	737
Presbyterian.....	13	47	505
Baptist.....	15	45	480
Protestant Episcopal.....	12	50	386
Methodist Episcopal.....	4	26	307
Congregational.....	7	31	304
Lutheran.....	13	23	243
Christian.....	2	5	130
Reformed.....	5	9	61
United Presbyterian.....	4	8	47
Universalist.....	2	4	31
Free Will Baptist.....	1	4	26
Moravian.....	1	8	24
Unitarian.....	1	7	10
Undenominational.....	2	8	52
Unknown.....	1	.....	.....
Total.....	93	339	3,254

As the table of theological seminaries among the accompanying papers will be corrected to the latest possible date, reference to it for more correct information is made.

SCHOOLS OF MEDICINE.

The total number of institutes of medicine and kindred branches reported is 88; professors, 588; pupils, 6,943. Medical colleges, 72; professors, 523; pupils, (1869-'70,) 6,194. Regular colleges, 59; professors, 430; pupils, 5,670. Eclectic colleges, 5; professors, 22; pupils, 211. Homœopathic colleges, 7; professors, 65, pupils, 275. Physio-medical colleges, 1; professors, 6; pupils 42. Dental colleges, 6; professors, 39; pupils, 257. Pharmaceutical schools, 10; societies, 9; professors, 26; pupils, 512.

In connection with this table special attention is invited to the article on Medical education, which has been carefully prepared *from the materials on hand*. This will explain the apparent prominence given to some institutions in certain parts of the article. For instance, no late catalogue or announcement of any medical college in New York for males is on file in the office.

LAW SCHOOLS.

The résumé of the latest statistics of law schools, presented in Table VI, shows, up to date, 28 institutions, with 99 professors and 1,653 pupils.

For the latest corrections reference is made to the table itself.

AGRICULTURAL AND SCIENTIFIC SCHOOLS.

The résumé of the latest facts respecting these institutions gives 26 schools, 144 teachers, and 1,413 students. Some of these institutions are due to private munificence, but most of them to the act of Congress donating public lands for the establishment of colleges of agriculture and mechanic arts. This action came none too soon. Our workmen, especially those engaged in occupations requiring skill, were already suffering in comparison with those producing similar fabrics in foreign coun-

tries. The American College, pressed to its utmost capacity, seizing every opportunity afforded it, was failing to give that training with reference to the industries which the changed condition of society and occupation required. Secondary education was equally inadequate.

President Folwell, of the University of Minnesota, observes:

Outside of these institutions stood quite uninterested the great body of the population: the tillers of the soil, the delvers in the mines, the sailors of the sea and boatmen of the rivers, the artisans in stone, wood, and iron, the carriers, and the great army of mere laborers. For all these no provision was made, nor was expected to be made, in the way of schooling beyond the rudiments taught in the common schools. In the course of two or three decades an immense revolution has taken place. The steam-engine, the telegraph, the cylinder press, the new processes of chemistry, the extension of geographical discovery, have raised many of the trades almost to the rank of professions. These farmers, artisans, and tradesmen are knocking at the doors of our educational circumlocution offices, "wanting to know." In short, a huge load in the way of technical education has been thrown upon us; for these classes are not asking merely for the ordinary instruction in mathematics, language, science, and history, but in the application of science to their respective arts and trades. There are demands not only for general schools of technology, but for special schools for agriculturists and horticulturists, for miners, for navigators, and for engineers. The mercantile classes cannot long be satisfied with the meager and unscientific training offered in the business colleges. The normal school, almost a necessary incident of any system of public schools, no longer needs apologists nor defenders.

Here, then, are new elements and conditions in the problem. It is no longer a small number of persons preparing for professional work, who are demanding higher education, but a vast body of people, hitherto unknown to educators, thronging forward, clamoring to be taught how to do their work in the best way. These new demands, so far from supplanting the ancient liberal discipline, but multiply the need of it.

Without attempting to characterize the result of this donation by Congress, or the success of the various State efforts, I may quote a statement made in another address by this very intelligent educator:

Maine has her separate college, and will make a specialty of the building, rigging, and navigation of ships. New Hampshire has confided her trust to Dartmouth College; Vermont, hers to the State University. Massachusetts has divided her fund, one-third of it going to the Agricultural College at Amherst, two-thirds to the School of Technology near Boston, which school is devoted of course to the mechanic arts. Rhode Island passes her money over to Brown University, which will operate a department of agriculture. Connecticut unites her share of the endowment with the splendid private benefaction which founded the Sheffield Scientific School at New Haven. This school, already an assured success, is under control of the corporation of Yale College.

The Empire State has been most fortunate of all. She not only received the largest share of the land grant, 990,000 acres, but Providence gave her Ezra Cornell, with his great wealth and still greater heart. Thanks to his unstinted liberality, the Cornell University stands already in the front rank of American colleges.

Pennsylvania and Michigan have successful schools on separate foundations in operation.

How imperfectly this entire field of educational effort is understood, none know better than those who have attempted it. A considerable number of States are, as yet, entirely unable to present results, while in others the course to be pursued is in doubt. Great and commendable as was this gift by Congress, the experience in its administration suggests that corresponding educational inquiry should have preceded and accompanied it. Had the valuable information, collected by my predecessor, Hon. Henry Barnard, LL. D., on technical schools, been promptly published and widely circulated, hundreds of thousands of dollars would have been saved in the management of this great trust and unspeakably greater results secured.

COMMERCIAL COLLEGES.

It will be noticed that 26 commercial colleges have been reported to the Bureau, with 154 professors and 5,824 students. These institutions, through many difficulties and imperfections, it is believed, are finding

their way into a very useful field of labor. There will be special interest in noticing the extent to which they are preparing women for clerical positions.

THE MILITARY ACADEMY.

Believing that good to education would be accomplished by an authentic statement of the grounds of failure in the examination for admission at the Military and Naval Academies, I addressed a letter of inquiry, approved by the President, to the respective superintendents, asking for a detailed statement extending over the last fifteen years, showing the number of these failures, and the subjects in which they occurred.

No reply has been received from the Naval Academy. The table received from General Pitcher, Superintendent of the Military Academy, will be found among the statistics appended to this report.

It will be observed that of the 1,159 appointees, 41, or nearly 3½ per cent., were rejected for physical disability, and 285, or nearly 19½ per cent., on account of literary incompetency. Of these 285 rejected, 76 were deficient in reading, 80 in geography, 81 in history, 98 in grammar, 133 in arithmetic, and 173 in writing and orthography.

It may be interesting to some to know that, during the period referred to, 138 of the appointees served as soldiers prior to their appointment; of these 5 were rejected on account of physical disability, and 20 on account of literary deficiencies, 5 of them being deficient in history, 5 in geography, 8 in grammar, 10 in writing and orthography, 10 in reading, and 12 in arithmetic.

In literary qualifications the appointees from Massachusetts were the most successful, only 1 out of 13 failing. Nevada lost 6 out of 7; Kansas, 3 out of 6; Delaware, 5 out of 11; Texas, 3 out of 8; and Alabama, 11 out of 32, on this account.

In connection with the presentation of facts respecting the education of man in his normal condition, an attempt has been made to present tables and facts respecting the philanthropic and educational institutions existing in the United States to ameliorate, improve, instruct, or restrain the many forms of physical, mental, and moral distortion or deficiency which are comprehended under the terms deaf mute, blind, idiot and imbecile, insane, and inebriate asylums, reform schools, and prisons.

EDUCATION OF THE DEAF, DUMB, AND BLIND.

The disadvantages suffered by these classes in the struggles of life early attracted the attention of humane educators in America. The statistics of the institutions established in their interest appear in the accompanying tables. I regret that those relating to the blind, after all our endeavors, are so incomplete.

The Bureau is under special obligations to Dr. E. M. Gallaudet, president of the National Deaf mute College, for assistance in perfecting the table in regard to institutions for the education of the deaf and dumb.

There is great satisfaction in knowing that so much is so well done for these classes. It was my purpose not only to present the facts with regard to their education in schools, but in reference to all associations and institutions designed to aid them, after leaving school, in discharging the duties of the various relations of life. What a contrast is here presented between Christian civilization and barbarism, the latter casting them out as waste humanity, the former devising for them instrumentalities and methods by which to overcome the disabilities resulting

from the loss of sight, hearing, and speech! Barbarism destroyed them; Christian civilization builds for them churches.

The schools for the deaf, dumb, and blind are fast passing out of the class known as charitable, and becoming part and parcel of the systems of public education. It is hoped that ere long every State will have made ample provision for the establishment and conduct of these schools, and that no one suffering either of these disabilities will fail to receive their benefits.

On the 26th of September, 1870, the subject of establishing an institution for the deaf and dumb in Oregon was introduced into the house of representatives of that State, and action had looking to the organization of such an institution.

SCHOOLS FOR IDIOTS AND IMBECILES.

Seven of these, it will be observed, are enumerated. These illustrate some of the most striking triumphs of Christian education. They will answer the inquiries of those who have written to me desiring the location of these institutions. The work they do may well be studied by every philosophical educator. How wonderful, how nicely adapted, the process by which the child, dearly beloved by the parent, yet so devoid of reason as to be loathsome in its uncleanness and senseless habits, is brought to a care of self and the observance of neatness, and often enabled to read and write, and to participate in various simple and useful industries!

INSANE ASYLUMS.

I am indebted to Dr. Nichols, superintendent of the Government Insane Asylum, near this city, for the statistics of these institutions. Does any one ask what a report on education has to do with insanity? Considering the mistaken notions which prevail in regard to education, I should not be surprised at such an inquiry. I would recall, however, the motto, universally adopted as indicating the object of education, "A sound mind in a sound body." Does any one presume that insanity is wholly the result of natural causes beyond the reach of the influences of home, of school, and of society? Rather, will not a careful investigation show a very considerable share of the cases of insanity traceable primarily to causes within the control of education, in its large sense? Whence comes dementia? Why so few of our insane from the entirely ignorant class? Why did so few slaves become lunatics? Why are so many persons of higher intellectual attainments found among the insane? I admit that the connection between cause and effect in these cases has not been sufficiently brought out. But this is a reason for giving the subject immediate attention, rather than for delaying it. Those who are erecting school-houses, and regulating the school habits of the young, have need that these facts should be before them, and to consider whether the play-grounds, the character of the buildings, their comfort, ventilation, cheerfulness, the motives and tasks set before children, have or have not an adaptation to preserve the mind in its soundness, or if it has abnormal tendencies to overcome them, and save the family from the sad effect of the dethroned reason, and the State or family from the expense of the support of a lunatic. No educator has sufficiently apprehended and set forth the subtle connection between the mind and the body, and the effect of the one upon the condition of the other. If he would adjust the processes of education most correctly to man in his normal condition, he may wisely consult every abnormal

development within his observation. Indeed, the recovering process, which brings the lost reason back to itself, throws the light of some most important suggestions upon the path of the teacher.

No attempt is made in this report at this investigation. I have sought simply to facilitate the efforts of educators at home and abroad, who are disposed to pursue these inquiries, by bringing together the list of institutions of this class, and a few leading facts connected with them.

ASYLUMS FOR INEBRIATES

are surprising their friends with the results they accomplish. The one at Binghamton, New York, is the most noted. Its report for the year 1869 showed 244 patients admitted during the year; discharged, 271; remaining on the 1st of January, 55. The officers observe in the last report, "Of our confidence in the success of the asylum as a curative institution, we have heretofore spoken. That confidence remains unshaken. As a pioneer in a great experiment—an experiment of deeper interest to the family, to society, and to the State than any other now awaiting the final judgment of the public—it is worthy of a full and fair trial."

REFORMATORIES.

The statistics of these institutions are drawn from the able report of Dr. Wines, Secretary of the New York Prison Association, excepting where they have been modified by the reports received in this office. They point to the great sores that are forming on the body politic, which, so far, have been imperfectly dealt with or understood. They present a sad commentary on the results of parental neglect and city vagabondism. They are a standing argument to enforce the duty of education by the State. They tell how soon parental selfishness, neglect, vice, and crime would raise up a class destructive of life, property, and all social good. It is not sufficient to say that the general good requires this method of treating juvenile criminals; the good of every child demands it. They, moreover, point to the defects in our private and public schooling systems, and suggest important revisions calculated to make the benefits more universal. The success of reformatories already established would seem to overcome objections and enforce the expediency of their establishment in connection with all large concentrations of population.

PRISONS.

It is not difficult for any one to see that the prison stands as a school. Vice and crime are readily traced to youthful misconduct. The county or city receives very little from its jail, and the State from its prison. To-day the child of the principal school; to-morrow the man in the dungeon; and the have learned no lesson.

RELATION OF THE NATIONAL GOVERNMENT

What is now presented as the annual report of iron panels has been as an initiative effort, either in respect to the Nation of the copper roof has the tables included. The relation of the Nation of the copper roof has cation with many is not recognized because apparatus on iron laths directed to it. There are, however, certain

Government may and should do in this relation, so palpable that their statement is sufficient to secure almost universal assent:

1. It may do all things required for education in the Territories.
2. It may do all things required for education in the District of Columbia.
3. It may also do all things required by its treaties with and its obligations to the Indians.
4. The National Government may also do all that its international relations require in regard to education.
5. The National Government may use either the public domain or the money received from its sale for the benefit of education.
6. The National Government may know all about education in the country, and may communicate of what it knows at the discretion of Congress and the Executive.
7. The Government should provide a national educational office and an officer, and furnish him clerks, and all means for the fulfillment of the national educational obligations.

RECOMMENDATIONS.

The present opportunities of this Bureau are utterly inadequate to the proper discharge of these duties. I, therefore, recommend—

First. An increase of the clerical force of this Bureau, to enable it to extend, subdivide, and systematize its work, so that its correspondence, domestic and foreign, and the collection of statistics, may each be in charge of a person specially fitted for the same.

Second. That appropriate quarters be furnished, so that the plan of making and preserving a collection of educational works, reports, pamphlets, apparatus, maps, &c., may be carried out with facility.

Third. That increased means be furnished for the publication of facts, statistics, and discussions, to meet the constantly increasing demand.

Fourth. That the educational facts necessary for the information of Congress be required by law to be reported through this Bureau in regard to the District of Columbia and the Territories, and all national expenditures in aid of education.

Fifth. In view of the specially limited financial resources and the great amount of ignorance in portions of our country, and the immediate necessity for adequate instrumentalities and opportunities for elementary education to the people of those sections, and the anxieties awakened by impending Asiatic immigration, that the net income from the sale of the public lands be divided annually *pro rata* among the people in the respective States, Territories, and the District of Columbia.

CONCLUSION.

My sense of the incompleteness of this report is most painful. Should it prove the beginning of something which shall grow satisfactorily toward perfection, this labor, I shall hope, will not be in vain.

For whatever value it has I am specially indebted to the very competent labor of those who have assisted me in its preparation, who have not made the customary office hours the limit of their endeavors, but have willingly done their utmost in the work assigned to them.

The courtesy and energy with which the Public Printing Office is conducted secure its issue promptly, in spite of the delays in furnishing manuscript, incident to my want of clerical force, in connection with the other annual executive reports. For statistical matter I am especially indebted to General Francis A. Walker, Superintendent of the Census; Hon. Edward Young, Superintendent of the Bureau of Statistics; and to the Commissioner of Internal Revenue.

Whatever measure of success the office has been able to attain since I entered upon these duties, I should be wanting in common honesty not to acknowledge that it is largely due to your thorough appreciation and prompt consideration of the subjects and duties in hand, and the uniform sympathy and coöperation of the President.

I have the honor to be, sir, very respectfully, your obedient servant,
JOHN EATON, JR.,
Commissioner.

Hon. J. D. Cox,
Secretary of the Interior.

REPORT OF THE ARCHITECT OF THE CAPITOL EXTENSION.

ARCHITECT'S OFFICE, UNITED STATES CAPITOL,
Washington, D. C., Nov. 1, 1870.

SIR: I have the honor to submit the following report relative to the Capitol and Patent Office buildings, showing the progress of the work on each since the last report from this office, November 1, 1869.

CAPITOL EXTENSION.

Besides the general finish of the exterior marble work there have been many additions and improvements made. A large portion of the copper gutters have been laid; several committee rooms painted; the heating apparatus repaired; several coils renewed, and the steam engines thoroughly repaired.

All the foundations for the coping at the outer edge of the upper terrace have been laid and the greater portion of the granite coping worked and set.

It is expected by the meeting of Congress a large portion of the flagging on this terrace will be laid.

The western front of the lower terrace has been graded and sodded.

A library for the Senate has been fitted up and the stone stairway leading from the Supreme Court at the northeast corner of the central building taken out and the space in the basement story shelved and connected with the law library; the rooms in the principal story fitted up for the attorney general and that above for a store-room.

The lunettes of the walls of the reception room of the Senate are being decorated in such a manner as to leave spaces for portraits. It is proposed to fill these with the portraits of men most conspicuous in our legislative history, and to have them painted by our most skillful artists, so as to have in the Capitol a specimen of the styles of the principal painters.

Bronze lamp-posts for the south portico similar to those on the north are being made.

By direction of the special committee on ventilation several important improvements have been made to the Hall of Representatives which will add to the comfort of that hall. A row of iron panels has been taken from around the ceiling and glass substituted, a change which will give more light to the hall. The under portion of the copper roof has been plastered, the part over the lighting apparatus on iron laths.

These improvements will cause the loft to be warmer in winter and cooler in summer than heretofore.

Shafting has been attached to the louvers of the skylights, by means of which they can be adjusted so as to regulate the amount of light to be admitted into the hall, without getting the direct rays of the sun.

Fire-places have been put in at the cloak rooms, and the flues so arranged as to make the space between the ceilings of these rooms and the floor of the gallery an exhaust, instead of a heating chamber, as at present. Some efforts have also been made at the Senate Chamber to cause more satisfactory ventilation. A foul air shaft has been enlarged to the area of thirty-six superficial feet, and two capacious exhausting fans placed in the basement, in conformity to a provision of Congress.

These measures will, I have no doubt, remedy in part some of the disturbing causes in the ventilation, and should be followed with other changes and improvements as experience and observation may render necessary. While it may not be my duty to refer to the complaints of inefficient ventilation, I must state that from some recent experiments, evidence of superior ventilation was obtained. Much of the discomfort may be imaginary, or owing to the condition of the health of the person suffering; certain it is that it is impossible to heat and ventilate a room to suit persons of different ages, habits of body, or condition of health.

Amount expended from June 30, 1869, to June 30, 1870.

Amount paid on rolls for mechanics, laborers, salaries, &c.....	\$53,977 96
Amount paid for paint, painting and glazing.....	11,504 61
Amount paid for miscellaneous bills such as bricks, lime, sand, cement, hardware, &c.....	7,617 42
Amount paid for marble and flagging.....	5,691 02
Amount paid for curbing and coping.....	4,404 10
Amount paid for roofing and copper.....	2,775 30
Amount paid for steam and gas fitting, plumbing, and materials.....	6,319 85
Amount paid for lumber.....	2,444 33
Amount paid for bronze lamp posts.....	1,500 00
Amount paid for painting in fresco on ceiling of Senate post office.....	2,000 00
Amount paid for decorating committee rooms.....	709 65
	<hr/>
	98,944 90

Cash account of the Capitol Extension.

Amount available June 30, 1869.....	\$5,089 54
Amount appropriated March 3, 1869.....	75,000 00
Amount appropriated April 20, 1870.....	20,000 00
	<hr/>
	100,089 54
Amount expended from June 30, 1869, to June 30, 1870.....	98,944 90
	<hr/>
Leaving on the 30th June, 1870, an unexpended balance of.....	1,144 64

ANNUAL REPAIRS OF THE UNITED STATES CAPITOL, CENTRAL BUILDING.

The appropriation under this heading is applicable to the central portion of the building only, as by law the cost of the repairs to the wings is payable out of the funds appropriated for the Capitol extension. Beside the usual and necessary repairs, such as painting, glazing, and keeping the copper roof in order, there have been several rooms fitted up for committees, and water and steam for heating carried to four of them.

A large steam-chamber, with one hundred cast-iron radiators, has

been placed in the cellar to heat the northern side of the rotunda. It is thought that this apparatus will make the rotunda sufficiently comfortable, as those who linger there are, in cold weather, mostly clad in street clothing, on which account, even if it were possible, a high degree of heat is not desirable.

A corridor is being constructed across the small court south of the rotunda, for protection from the weather, and in order to approach the committee rooms recently fitted up, by a shorter way.

I earnestly recommend that next season the old Hall of Representatives may be painted, and the bulkhead on the gallery, back of the clock, be taken away.

Additional room for the storage of documents for the House is requisite; I therefore recommend that a doorway be cut through from the gallery of the House library, over the connecting corridor, and the space over the colonnade of the south wall of the old Hall of Representatives be made available, and shelved for the reception of books.

Amount expended from June 30, 1869, to June 30, 1870.

Amount paid on roll of mechanics, laborers, &c.....	\$1, 371 81
Amount paid for paint, painting and glazing.....	3, 841 55
Amount paid for steam and gas-fitting, plumbing and materials.....	1, 668 38
Amount paid for circular iron-frame skylights.....	3, 850 00
	<u>10, 731 74</u>

Cash account annual repairs United States Capitol.

Amount available June 30, 1869	\$731 74
Amount appropriated March 3, 1869.....	10, 000 00
	<u>10, 731 74</u>
Amount expended from June 30, 1869, to June 30, 1870.....	<u>10, 731 74</u>

NEW DOME.

Such painting as was necessary to keep the joints tight and prevent corrosion has been done, and the inner portion kept clean by laborers paid out of the appropriation for repairs. Some comments have been made on the continual expenditure of money to keep in repair a dome made of such indestructible material as iron, but when the expansion and contraction of that material, between heat and cold, is considered, it may be easily understood why constant care and watchfulness is necessary.

The balance on hand at the end of the last fiscal year was returned to the treasury.

Amount expended from June 30, 1869, to June 30, 1870.

Amount paid for paint and painting	\$2, 447 98
Amount paid on rolls of mechanics and laborers.....	1, 023 17
Amount paid for plumbing, hardware, &c.....	342 04
	<u>3, 813 19</u>

Cash account.

Amount available June 30, 1869	\$124 08
Amount appropriated March 3, 1869	5, 000 00
	<u>5, 124 08</u>
Amount expended from June 30, 1869, to June 30, 1870.....	<u>3, 813 19</u>
Leaving on the 30th June, 1870, an unexpended balance of.....	<u>1, 310 89</u>

EXTENSION OF CAPITOL GROUNDS.

In order to fill and improve the lower terraces, north and south A streets have been carried around these terraces, curbing and flagging have been laid at the foot of all the porticos at the east front, and some of the defective flagging in front of the old portion of the building taken up and new blue-stone laid, to correspond with the other flagging on that line.

The machine shop and engine-house have been taken away, as well as the marble scattered over the grounds at the north side. The steam-engine and boilers were transferred to the printing branch of the Treasury Department, at the request of the Secretary of the Treasury and the consent of the Secretary of the Interior; the machinery sold at public sale and the proceeds turned into the treasury.

I again call the attention of Congress to the subject of extending these grounds, and to the importance of such action as may be necessary to define their limits.

It is desirable that an appropriation should be made for curbing and paving the streets to surround the Capitol, and for fencing, planting and otherwise improving the grounds which now belong to the United States. Some action is also necessary relative to changing the railway track which runs across the front of the Capitol, so that the line of curb and pavement on the east side can be put down. It is also important that an act should be passed at an early day authorizing the grading and paving the plateau at the east of the Capitol.

Amount expended from June 30, 1869, to June 30, 1870.

Amount paid on rolls for labor.....	\$4,089 59
Amount paid for earth delivered.....	10,691 31
Amount paid for lumber.....	125 85
Amount paid for hardware.....	93 25
	<hr/>
	15,000 00
	<hr/>

Cash account.

Amount appropriated March 3, 1869.....	\$15,000 00
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PATENT OFFICE BUILDING.

The paving of G street at the north front of this building has been deferred until next spring, owing partly to the fact that the funds on hand are not sufficient to pay the cost thereof. This deficiency was caused by the transferment of the balance of last year's appropriation to the treasury, in conformity to law. At the time the last estimate was made, it was supposed that the balance in question would be available, as was usual. This building is now completed with few trifling exceptions. To refund the amount returned to the treasury, and to paint the exterior wood-work of the north front, &c., the sum of \$2,500 is necessary.

CITY HALL.

The repairs authorized by Congress have been made, and the unexpended balance of the appropriation returned to the treasury.

Respectfully submitted.

EDWARD CLARK,
Architect.

Hon. J. D. Cox,
Secretary of the Interior.

REPORT OF OFFICERS OF THE COLUMBIA INSTITUTION
FOR THE DEAF AND DUMB.COLUMBIA INSTITUTION FOR THE
INSTRUCTION OF THE DEAF AND DUMB;
Washington, October 29, 1870.

SIR: In compliance with the acts of Congress making provision for the support of this institution, we have the honor to report its progress during the year ending June 30, 1870.

NUMBER OF PUPILS.

The pupils remaining in the institution on the 1st day of July, 1869, numbered	77
Admitted during the year	5
Since admitted	18
Total	<u>100</u>

Under instruction since July 1, 1869, males 72, females 18. Of these fifty-two have been in the collegiate department, representing twenty States and the District of Columbia, and forty-eight in the primary department. Seven have left the college during the year, and three have left the primary department, one of these latter having been expelled for misconduct. The pupils that now remain connected with the institution, ninety in number, are equally divided between the two departments.

HEALTH OF THE INSTITUTION.

Through the sparing mercy of a kind Providence we are permitted to record the fact that none of our pupils have been removed by death, and that no alarming disease has made its appearance during the year. The few cases of sickness that have demanded the notice of the attending physician have been slight in degree and have in every instance yielded readily to treatment.

DEATH OF HON. AMOS KENDALL AND HON. B. B. FRENCH.

The institution has, however, been sorely afflicted in the removal by death of two of its most honored directors.

Hon. Amos Kendall, the founder and first president of the institution, passed from earth on the 12th of November, 1869, at the venerable age of eighty-one years.

Although for a less number of years identified with the management of the institution than Mr. Kendall, yet not behind him in earnest devotion to its interests was the Hon. Benjamin B. French, who died on the 12th of August, 1870, at the age of seventy years.

At a meeting of the board, held on the 20th of October, the following preamble and resolutions were unanimously adopted:

Whereas the hand of Providence has again been laid upon the directors of this institution in the sudden removal by death, on the 12th of August, 1870, of Hon. B. B. French, who for upward of five years has been associated with the board, and who, during that period, has ever manifested a deep interest in the prosperity of the institution by his regular attendance upon its meetings and his cheerful performance of the duties assigned him: Therefore,

Resolved, That it is with sincere regret we are called upon to part forever, in this world, with our warm, personal friend and faithful director, Benjamin B. French.

That we bear testimony to his uniform amiability, his earnest coöperation in every measure that promised increased usefulness of the institution, his superior intelligence, as well as the strict integrity which, we believe, characterized him at all times and under all circumstances.

On motion the secretary was requested to send a copy of the foregoing to the family of the deceased.

At a meeting of the officers of the institution, held on Sunday evening, October 9, the following preamble and resolutions were unanimously adopted:

Whereas it has seemed good to Almighty God to remove out of this life the Hon. B. French, who for upward of five years has been a member of its board of directors:

Resolved, That while we acknowledge in the event the wisdom and love of our Heavenly Father, who doeth all things well, we lament deeply the loss to the institution of a most active and efficient director; to ourselves, a friend with whom our social, as well as our official, relations have always been exceedingly pleasant; to literature and science, of an ardent lover and zealous supporter; to the community, of a benevolent, upright, and patriotic citizen.

Resolved, That to the family and relations whom the death of our friend has bereaved we offer our respectful and affectionate sympathy, especially to her who was united with him in the closest and tenderest of ties, commending her in this great sorrow to that divine consolation which is promised to those who mourn, and praying that He who has smitten may bind up.

Resolved, That a copy of these resolutions be presented to the family of the deceased.

INSTRUCTION IN ARTICULATION.

Rev. John W. Chickering, jr., M. A., of New Hampshire, has been appointed to a professorship in the college, devoting his time for the present to the teaching of articulation to those of our students and pupils who seem likely to profit by such instruction. About twenty have been placed under his charge, and we have reason to believe that they will profit very greatly by the advantages furnished them in this new branch of study.

THE PRIMARY DEPARTMENT.

The course of training in this department has not differed essentially from that set forth in former reports. The instructors have been faithful and successful in their labors, and the pupils, in nearly every instance, have made all the advances that could reasonably be expected of them.

THE COLLEGE.

The progress of this department of the institution has been most encouraging. The professors and instructors have been devoted to the discharge of their respective duties, the general standard of scholarship and manly bearing among the students has been steadily advanced, and evidences have been multiplied on every hand to satisfy those who are most familiar with the work of the college that the liberality of the Government in establishing and sustaining such a work is yielding results for good, fully commensurate with the amount of money required for the proper furtherance of the enterprise.

The regular course of study pursued in the college is as follows. This may, however, be varied by students who do not propose to take the degree of bachelor of arts, and such students may take degrees in science or philosophy, or certificates of the studies they have pursued.

COURSE OF STUDY.

Studies of the Preparatory Class.

Arithmetic, English grammar, physical geography, elements of natural philosophy, algebra through quadratic equations, Latin.

Studies of the Freshman Class.

Algebra, (completed,) geometry, Latin, English composition, book-keeping,* Greek.*

Studies of the Sophomore Class.

Spherical and solid geometry, conic sections, trigonometry, mensuration, navigation and surveying, Latin, Greek,* botany, French, chemistry, English philology, history.

Studies of the Junior Class.

Mechanics, astronomy, mineralogy, geology, German, rhetoric, Greek,* history of civilization.

Studies of the Senior Class.

Anatomy and physiology, zoölogy, logic, mental philosophy, political science and constitution, moral philosophy, evidences of Christianity, English literature, æsthetics.

Instruction in art is also given to those who desire it.

SECOND COMMENCEMENT.

The second commencement of the college, which occurred on the 30th of June, was an occasion of special interest.

Five students, having completed the full course of study above recited, were entitled to receive the degree of bachelor of arts. This distinction was conferred upon them by the President of the United States, acting in his capacity as patron of the institution for the first time in its history.

WHAT THE GRADUATES OF THE COLLEGE DO.

In the progress of our college and the presentation of its interests to the public, the questions are often asked, rather doubtingly, "But what can your graduates do in the struggle of life? What positions can they fill that shall justify the expenditure of time and money necessary to their collegiate training?"

Our practical answers to these questions were begun to be given last year by our first three graduates, who were at once called to fill honorable and useful positions—one in the service of the Patent Office, one to instruct his fellow-mutes in Illinois, and the third to supply a professor's place, as tutor, in the college from which he had just graduated.

The young men of our second graduating class have also given gratifying evidence that their collegiate training has been to good purpose. One has been called to teach in the Tennessee Institution for Deaf-mutes; another has been employed in a similar manner in the Ohio institution; a third has taken an eligible position as teacher in the new

* Optional studies.

Institution for Deaf and Dumb in Belleville, Canada; the fourth is a valued clerk in the Census Bureau; and the fifth is continuing his studies here with a view of becoming a librarian, while he fills temporarily the position of private secretary in the office of the president of the institution.

The aggregate annual income to-day of the nine young men who have graduated from our college is nine thousand six hundred dollars, giving an average of more than one thousand dollars to each.

This may, perhaps, be taken as the present market value of their services to the community, and is no mean return for the cost of their education. But who can measure the probable influence for good which these educated young men may be expected to exert during the years they may reasonably hope to live and labor in the world?

COMPLETION OF THE MAIN CENTRAL BUILDING.

This very important building, begun in the spring of 1867, was so far completed at the opening of our present term as to permit the occupancy of the kitchen and other domestic rooms in the basement, with the two dining-halls on the main floor.

The hall and lecture-room will be ready for use in a few days, and it is hoped that the building may be entirely finished by the first of January next.

The great addition to the comfort of the institution secured through the completion of this building cannot be properly understood except on personal inspection; and this, it is hoped, will be given by every member of the Senate and House of Representatives during the approaching session of Congress.

The receipts and disbursements for the year now under review will appear from the following detailed statements.

I.—SUPPORT OF THE INSTITUTION.

Receipts.

Received from Treasury of the United States	\$45,000 00
Received from State of Maryland for support of pupils	3,950 00
Received from city of Baltimore for support of pupils	300 00
Received from scholarships	450 00
Received from board and tuition	659 00
Received from sale of hogs	168 90
Received from sale of horses	170 00
Received from sale of old iron and brass	140 11
Received from sale of gas-holder	175 00
Received from sale of bricks	25 00
Received from sale of potatoes	9 30
Received from students for books	308 53
Received from pupils for clothing	17 25
Received from work done in shop	353 55
Received from damage to grounds by stray cattle	19 83
Total	51,746 47

Disbursements.

Balance from old account	\$4,201 47
Expended for salaries and wages	18,766 32
Expended for meats	5,050 43
Expended for butter and eggs	2,294 48
Expended for groceries	3,470 95
Expended for bread	1,010 90
Expended for household expenses, vegetables, &c	2,235 74

Expended for milk	\$698 21
Expended for oats and grain	735 35
Expended for coal and wood	2,132 06
Expended for gas	1,259 70
Expended for repairs on buildings	888 30
Expended for furniture	285 96
Expended for machinist's work, blacksmithing, and repair of carriages, wagon, carts, and harness	770 05
Expended for clothing and dry goods	352 78
Expended for books	946 12
Expended for medicines and chemicals	415 24
Expended for medical attendance	622 00
Expended for three horses	420 00
Expended for hardware	234 58
Expended for rent of Congregational church for commencement	50 00
Expended for rent of safe in Safe Deposit Company	10 00
Balance	4,895 83
Total	51,746 47

II.—ERECTION AND FITTING UP OF BUILDINGS.

Receipts.

Balance from old account	\$4,972 64
Received from tax omitted	2 92
Balance due the disbursing agent	4,897 19
Total	9,872 75

Disbursements.

Paid J. G. Naylor on contracts	\$5,500 00
Paid Vaux, Withers & Co., architects, for services	1,569 10
Paid for wages and labor	1,157 09
Paid for lumber	916 83
Paid for hardware	263 21
Paid for materials	26 25
Paid for furniture	300 63
Paid for work on roofs	88 91
Paid for paints	50 63
Total	9,872 75

III.—IMPROVEMENT OF GROUNDS.

Receipts.

Balance from old account	\$431 78
Balance due the disbursing agent	1,453 41
Total	1,885 19

Disbursements.

Paid for labor	\$1,133 97
Paid for trees and shrubbery	199 39
Paid for concrete pavement	125 00
Paid for brick-work	36 83
Paid for grading	390 00
Total	1,885 19

ESTIMATES FOR NEXT YEAR.

The following estimates of appropriations required for the service of the fiscal year ending June 30, 1872, are respectfully submitted:

For the support of the institution, including five hundred dollars for the purchase of books and illustrative apparatus, \$40,500.

For continuing the work on the erection, furnishing, and fitting up of the buildings of the institution in accordance with plans heretofore submitted to Congress, \$30,992.

For continuing the work on the inclosure, improvement, and grading of the grounds of the institution, \$6,673 37.

To provide for payments falling due on or before July 1, 1871, on the purchase by the institution of the estate known as Kendall Green, \$21,075.

The estimate for the support of the institution does not vary materially from the appropriation for the present year, being less by the sum of \$225.

In explanation of the second estimate we would respectfully state that in the progress of the work on the main central building it was found necessary to change the original plans and specifications in certain particulars. It was also found necessary, owing to a great failure in the supply of Potomac water, to erect a reservoir in the building, and to change materially the original course and arrangement of the water-pipes. In our estimate for last year an item to complete our payment for architect's services was inadvertently omitted and no estimate was made for gas fixtures, steam heating apparatus, or furniture for the new building.

The expense of these items taken together will amount to \$18,492.

The interests of the institution, in the proper accommodation of its officers, require us to erect two additional dwelling-houses for professors, as was designed in the plans and drawings submitted to Congress with our ninth annual report.

It is estimated these can be built for the sum of \$12,500. This added to the amount required for the items already explained will make up the sum of the second estimate.

The improvements designed to be effected under this second estimate are, in the judgment of the board, urgently demanded by the interests of the institution. In point of fact they are necessary to the proper completion of work we have undertaken to execute in pursuance of existing laws.

An estimate of \$5,000 for the inclosure and improvement of the grounds was submitted in our report of last year, and the sum asked for was greatly needed. Congress, however, did not make the appropriation, and we found it necessary for the protection of our new buildings to incur some expenses for grading and sewerage, the lack of which would have entailed serious damage to the buildings and danger to the health of our inmates. A deficiency of \$3,173 37 has, consequently, arisen under this head. This, with an additional amount of \$3,500 required for the service of next year, is covered by the third estimate.

PURCHASE OF KENDALL GREEN.

The fourth estimate submitted is to enable the institution to discharge obligations assumed in a considerable purchase of real estate which seemed to the board important, and indeed essential, to the interests of the institution.

The amount of land owned by the institution prior to this purchase was nineteen acres. So large a portion of this was of necessity occupied for building sites, yards, and requisite spaces between buildings, that little remained for suitable play-grounds, and for agricultural and horticultural purposes. The consumption of hay, grain, meats, vegetables and fruits in an institution like this is necessarily very considerable.

Our distance from the markets of Washington makes it desirable that, as far as possible, the farm produce required should be raised on the premises of the institution.

The force of these considerations long since satisfied the board that the possession, at no distant day, of a portion of land which might furnish fruits, vegetables, poultry, pork, hay, grain, and pasturage for dairy cows, or for animals designed to be slaughtered, would contribute in a marked degree to the well-being of the institution.

In the settlement of the estate of the late Hon. Amos Kendall, a tract of improved land comprising eighty-one acres, adjoining on two sides the premises of the institution, came into market last spring. The opportunity to purchase this land, which would furnish precisely what we desired, was one the board felt compelled to embrace; and although the value of the property, from its nearness to the city, was high, estimating it as farm land, its absolute adjacency to the premises of the institution was thought to be a sufficient compensation for this.

The price at which the executors of Mr. Kendall's estate offered the property to the institution, viz., \$85,000, was submitted to the judgment of competent disinterested parties and pronounced to be entirely reasonable, even low, as compared with the estimated value of other lands in the District of Columbia similarly situated.

The directors were compelled to consider not only the advantages to the institution arising out of the purchase of Kendall Green, but the alternative disadvantages ensuing from its passing into other hands.

The executors had proposed to divide the property into small parcels and sell to a considerable number of individual purchasers.

To permit the consummation of this arrangement would have been the practical abandonment on the part of the institution of all idea of ever possessing the property. And not only this; the institution, with its limited and insufficient domain of nineteen acres, would have been subjected to the possibility, at least, of the near neighborhood of slaughter-houses, breweries, and other establishments of similar character which seek to locate themselves just beyond the limits of all large cities.

The propriety of asking the United States to pay for the land thus shown to be needed for the institution is urged on several grounds.

First. Since the Government, in a series of legislation extending over a period of thirteen years, has undertaken to establish and maintain an institution for the education of the deaf and dumb, and has confided its management to a board of directors constituted in pursuance of law, and responsible to Congress, through the Department of the Interior, for the proper discharge of their duties, the inference cannot be avoided that it is the purpose of the United States Government to perfect and perpetually sustain the institution so created and hitherto maintained. It was the unanimous judgment of the board of directors that a proper regard to the interests of the institution required the purchase of Kendall Green to be made.

Secondly. The government, although originally conferring on the institution the power to purchase, hold, and sell property as freely as any corporation has the right to do, saw fit, (for reasons well understood, and the force of which were readily admitted by the board,) in an act approved July 27, 1868, to prohibit the sale by the institution of any real estate then held, or thereafter to be acquired by it, except under the authority of a special act of Congress; thus practically taking possession of the title to all property then held or thereafter to be purchased by, or donated to, the institution.

The act referred to reads as follows :

SEC. 3. *And be it further enacted*, That no part of the real or personal property now held, or hereafter to be acquired by said institution, shall be devoted to any other purpose than the education of the deaf and dumb, nor shall any portion of the real estate be aliened, sold, or conveyed, except under the authority of a special act of Congress.

The board, so far from objecting to the investment of the title of the property of the institution in the United States, deem this to be only just and right in view of the fact that, with an inconsiderable exception, the grounds and buildings now owned and occupied by the institution have been purchased and erected in pursuance of laws and appropriations of Congress.

Indeed the judgment of the board in this regard was indicated in our eleventh report, when an offer was made to transfer our property to the United States in the following terms, viz :

"The law of July 27, 1868, restricts us from disposing of any real estate, except as authorized by special act of Congress, and would seem to furnish a sufficient guarantee of the proper disposition of the property we have acquired by virtue of the bounty of the Government. But lest there should still be objections raised in Congress or elsewhere to the propriety of the appropriations we shall need to complete our buildings, we desire to record our entire willingness that the title to all property purchased with the public funds should be vested in the United States. And we hold ourselves ready, if Congress shall so desire, to make over the title to all property we have heretofore acquired in the manner above indicated, provided only it shall be agreed that the property shall be held sacred to the purposes for which it has heretofore been set apart."

This offer the directors desire in this report formally to renew.

Thirdly. The policy of the Government as to provision for grounds in the conduct of its educational and benevolent institutions has been clearly indicated by the ample grounds of the Military Academy at West Point; the Naval Academy at Annapolis; the Military Asylum in this District; and more recently in the enlargement of the premises of the Hospital for the Insane in this District, from two hundred and fifty to four hundred acres.

The wisdom of this course on the part of the Government is so fully sustained by all recent State action in reference to public institutions, and the importance of ample grounds for such establishments is so universally urged by the best authorities both in this country and Europe, that the board have felt little hesitation in securing Kendall Green for the institution, believing that their action would be sustained by Congress and approved by the public sentiment of the country.

In closing this report the directors feel justified in calling attention to the fact that the Government of the United States, in its progressive and liberal support of this institution, has done that which is without precedent in the world's history of benevolent or educational effort.

Imperial and royal authority in other lands has been satisfied, during more than a century of effort, to give to the deaf and dumb a course of instruction that should enable them to work intelligently with their hands. But to the free Government of America belongs the honor of enabling a class of its citizens, once ranked with idiots and imbeciles, to make brain-work their life work; to engage successfully in those labors which have their scope in the arena of science, of literature, and the arts.

The government that builds forts and ships, and maintains armies for its defense, may perhaps show good reasons for such a course. But stronger far, both at home and abroad, is that nation which makes the highest possible education of all its citizens its constant aim.

Every failure to develop dormant mental power, either in the individual or in the mass, is a loss to the state, absolute and irremediable; subtracting something, be it ever so little in the case of a single member of society, from the possible advance of the body politic in the grand march of civilization.

In the progress of this institution mental powers of high order, in numbers not inconsiderable, have already been awakened from a sleep scarcely less heavy than that of death itself, to an activity the bounds and results of which no man can measure.

And the work here inaugurated by Congress has but just begun.

Until that day the coming of which no man can predict, when "the desert shall rejoice and blossom as the rose;" when "the ears of the deaf shall be unstopped," and "the tongue of the dumb sing," it is reasonable to suppose that the college for deaf-mutes will have a mission to fulfill.

And when the full measure of all the development of mind and heart which may be here effected shall have been told by Him to whom all secrets are revealed, and set over against the sum of labor and treasure here expended, who will doubt as to the result of the comparison?

As eternity is longer than time, as mind is stronger than matter, as thought is swifter than the wind, as genius is more potent than gold, so will the results of well-directed labors toward the development of man's higher faculties ever outweigh a thousand-fold any estimate, in the currency of commerce, which man can put upon such efforts.

All of which is respectfully submitted, by order of the board of directors.

E. M. GALLAUDET, *President.*

Hon. JACOB D. COX,
Secretary of the Interior.

REPORT OF OFFICERS OF THE GOVERNMENT HOSPITAL FOR THE INSANE.

GOVERNMENT HOSPITAL FOR THE INSANE,
St. Elizabeth, D. C., October 31, 1870.

SIR: By direction of the board of visitors the undersigned respectfully submit the following statement of the "condition and wants" of the hospital for the year ending June 30, 1870, as required by the act of March 3, 1855.

The number of patients under treatment on the 30th day of June, 1860, was:

From the Army, white males.....	115
" colored " 	5
" white " (discharged).....	45
" colored " 	2
" civilian, white males.....	3
" " colored male.....	1
" " white female.....	1
	— 172
From the Navy, white males.....	18
" colored " 	2
" white " (discharged).....	2
	— 22
	— 194
From civil life, white males.....	59
" " females.....	23
	— 158

From civil life, colored males	8
" " females	15
	<u>23</u>
	175
Males, 260; females, 109; total	<u>369</u>

Five patients, one designated heretofore as belonging to the Quartermaster's Department, one to the Soldier's Home in this District, and three as late rebel prisoners, having been legally admitted to the hospital by order of the Secretary of War, are now included in the classes belonging to the Army.

The number of patients admitted during the year ending June 30, 1870, was:

From the Army, white males	40
" colored "	2
" white " (discharged)	44
" colored male, "	1
" civilian, white male	1
" " female	1
	<u>89</u>
From the Navy, white males	9
" " male, (discharged)	1
" colored "	1
	<u>11</u>
	100
From civil life, white males	39
" " females	27
	<u>66</u>
" colored males	6
" " females	8
	<u>14</u>
	114
Males, 144; females, 35; total	<u>179</u>

Two persons were re-admitted in the course of the year; consequently there were two less persons than cases under treatment.

The whole number of patients under treatment in the course of the year 1869-'70, was:

From the Army, white males	155
" colored "	7
" white " (discharged)	89
" colored "	3
" civilian, white males	4
" " colored male	1
" " white females	2
	<u>261</u>
From the Navy, white males	27
" colored "	3
" white " (discharged)	2
" colored male, "	1
	<u>33</u>
	294
From civil life, white males	98
" " females	120
	<u>218</u>
" colored males	14
" " females	23
	<u>37</u>
	255
Males, 404; females, 145; total	<u>549</u>

The number of patients discharged in the course of the year was:

Recovered, from the Army, white males	9	
" " " (discharged)	6	
" " civilian, white male	1	16
" Navy, white males	3	19
" civil life, white males	14	
" " " females	6	20
" " colored females	2	22
Improved, from the Army, white males	5	41
" Navy, white male	1	6
" civil life, white males	6	
" " " females	7	13
" " colored males	2	
" " " female	1	3
Unimproved, from the Army, white male, (discharged)	1	18
" " Navy, colored "	1	22
Unimproved, from civil life, white males	8	2
" " " females	3	11
" " colored male	1	12
		14
Males, 58; females, 19; total		77

The number of patients who died in the course of the year was:

From the Army, white males	6	
" " " (discharged)	2	8
From the Navy, white males	2	
" " " (discharged)	1	3
From civil life, white males		3
" colored male	1	11
" " females	3	4
		7
Males, 15; females, 3; total		18

The number of patients remaining under treatment on the 30th day of June, 1870, was:

From the Army, white males	135	
" colored "	7	
" white " (discharged)	80	
" colored " "	3	
" civilian, white males	3	
" " colored male	1	
" " white females	2	231
From the Navy, white males	21	
" colored male	1	
" white males, (discharged)	2	
" colored male "	1	25
		256

From civil life, white males	67
" " females	104
	<hr/> 171
" colored males	10
" " females	17
	<hr/> 27
	<hr/> 198
Males, 331; females, 123; total	454

The use of the word *discharged* in the preceding tables designates persons formerly in the military or naval service of the country, and admitted by authority of the act of July 13, 1866; and those designated as *civilian* are civil employes of the Army admitted by order of the Secretary of War, under authority of the same act.

A tabular statement of the physical and mental condition and duration of the disease at time of death, of those who died in the course of the year.

PHYSICAL CONDITION

Chronic, organic and functional degeneration of the brain, without complicative or supervenient disease before death	
Chronic, organic, and functional degeneration of the brain, with phthisis	
Chronic, organic, and functional degeneration of the brain, with suicide	
" " " " " with epilepsy	
" " " " " with cholera morbus	
Maniacal exhaustion, with acute mania	
Paralysis, with acute mania	
Apoplexy, serous, with dementia	
Total	

MENTAL CONDITION.

Acute mania	
Chronic "	
Acute dementia	
Chronic dementia	
" of imbecility	
Total	

DURATION OF MENTAL DISEASE.

Three months	
Four "	
Six "	
Two years	
Three "	
Four "	
Five "	
Seven "	
Nine "	
Ten "	
Eleven years	
Seventeen years	
Total	

As nearly as could be ascertained, the patients admitted during the year had been insane at the time of admission—

One to three months, from the Army, white males	9
" " " civilian, white male	1
" " " " female	1
" " " Navy, white males	4
" " " civil life, " "	10
" " " " females	9
" " " " colored female	1

Three to six months, from the Army, white males.....	11	
" " " colored ".....	2	
" " " white male, (discharged).....	1	
" " " Navy, " ".....	1	
" " civil life, " males.....	10	
" " " females.....	2	
" " " colored male.....	1	
" " " female.....	1	
	<hr/>	29
One year, from the Army, white males.....	7	
" " " (discharged).....	3	
" Navy, " ".....	3	
" civil life, " ".....	3	
" " females.....	3	
" " colored female.....	1	
	<hr/>	20
Two years, from the Army, white males.....	8	
" " " (discharged).....	6	
" " Navy, white male.....	1	
" " females.....	2	
" civil life, white males.....	4	
" " colored males.....	4	
" " females.....	2	
	<hr/>	27
Three years, from the Army, white male.....	1	
" " " males, (discharged).....	9	
" " colored male, ".....	1	
" civil life, white male.....	1	
" " female.....	1	
" " colored female.....	1	
	<hr/>	14
Four years, from the Army, white males, (discharged).....	6	
" civil life, " ".....	2	
" " females.....	5	
	<hr/>	13
Five years, from the Army, white males.....	3	
" " " (discharged).....	16	
" civil life, white female.....	1	
" " colored ".....	1	
	<hr/>	21
Six years, from the Army, white male.....	1	
" Navy, " (discharged).....	1	
" civil life, " ".....	1	
	<hr/>	3
Seven years, from the Army, white male, (discharged).....	1	
" civil life, " females.....	2	
	<hr/>	3
Eight years, from the Army, white male, (discharged).....	1	
Nine " from civil life, " female.....	1	
Ten " " " ".....	1	
" " colored ".....	1	
	<hr/>	2
Eleven years, from civil life, white male.....	1	
Twelve " " " ".....	1	
Fourteen " " " ".....	1	
Fifteen " " " ".....	1	
" " colored female.....	1	
	<hr/>	2
Eighteen years, from civil life, white male.....	1	
Nineteen " from the Navy, colored " (discharged).....	1	
" " civil life, white male.....	1	
	<hr/>	2
Twenty-two years, from civil life, white male.....	1	
Thirty years, from the Army, " (discharged).....	1	
Forty-eight years, from civil life, white male.....	1	
Total.....	<hr/>	180

Tabular statement of the time of life at which the 2,807 persons treated since the opening of the Institution, became insane.

Under 10 years	43
Between 10 and 15 years	36
" 15 " 20 " 	177
" 20 " 25 " 	64
" 25 " 30 " 	61
" 30 " 35 " 	50
" 35 " 40 " 	312
" 40 " 45 " 	164
" 45 " 50 " 	39
" 50 " 60 " 	24
" 60 " 70 " 	40
" 70 " 80 " 	1
Unknown	25
Total	2,807

Table showing the nativity, as far as it could be ascertained, of the 2,807 persons treated.

NATIVE-BORN.		FOREIGN-BORN.	
District of Columbia.....	252	Ireland	640
New York	207	Germany	42
Maryland	158	England	22
Pennsylvania	157	France	2
Virginia	148	Canada	19
Massachusetts	72	Scotland	14
Ohio	71	Italy	11
Maine	30	Switzerland	1
Illinois	29	Norway	6
New Hampshire	26	Denmark	6
Kentucky	21	Sweden	6
Indiana	21	Poland	6
Connecticut	20	Russia	5
New Jersey	19	Spain	4
Michigan	15	Wales	3
Vermont	15	Holland	3
Tennessee	14	Portugal	3
Wisconsin	14	Nova Scotia	3
Missouri	13	Hungary	3
Rhode Island	11	Austria	2
North Carolina	5	Mexico	2
Delaware	4	Malta	2
Iowa	4	Buenos Ayres	1
Alabama	3	Costa Rica	1
Louisiana	3	Sicily	1
South Carolina	3	Belgium	1
Georgia	1	British Columbia	1
Mississippi	1	East Indies	1
Arkansas	1	West Indies. (Hayti).....	1
Colorado	1		
Florida	1		
Texas	1		
West Virginia	1		
Choctaw Nation.....	1		
Native-born	1,345		
Foreign-born	1,462		
Unknown	17		
Total	2,824		

Table showing the form of disease under which the cases received since the institution was opened labored at the time of admission.

MANIA.		
Acute simple	1,085	
" dipsaic	90	
" periodic	55	
" febrile	38	
" epileptic	29	
" suicidal	19	
" homicidal	14	
" puerperal	14	
" paralytic	9	
" hysterical	6	
" cataleptic	5	
" erotic	2	
" typhomania (Bell's disease)	2	
" kleptoic	1	
" suicidal and homicidal	1	
	<hr/>	1,370
Chronic simple	251	
" periodic	31	
" dipsaic	18	
" epileptic	12	
Chronic paralytic	8	
" puerperal	7	
" homicidal	5	
" suicidal	3	
" hysterical	2	
" cataleptic	1	
" dipsaic and epileptic	1	
" homicidal and epileptic	1	
" " and hysterical	1	
	<hr/>	341
MONOMANIA.		
Acute simple	5	
Chronic	14	
	<hr/>	19
MELANCHOLIA.		
Acute simple	128	
" suicidal	30	
" nostalgic	25	
" homicidal	2	
" epileptic	1	
	<hr/>	186
Chronic simple	49	
" suicidal	3	
" periodical	1	
	<hr/>	53
DEMENTIA.		
Acute simple	222	
" paralytic	15	
" epileptic	11	
" suicidal	7	
" periodical	3	
" senile	1	
" general paralysis	1	
	<hr/>	260
Chronic simple	436	
" epileptic	80	
" paralytic	38	
" senile	21	
" dipsaic	11	
" general paralysis	9	
" suicidal	5	
" periodical	3	
" paralytic and epileptic	2	
" epileptic and suicidal	1	
" paralytic and suicidal	1	
	<hr/>	607

IMDECILITY.

Chronic simple.....	13	
“ epileptic.....	2	
	<hr/>	15
Opium eater		1
	<hr/>	
Whole number of cases treated.....		2,852
Number of readmissions		45
	<hr/>	
Number of persons treated		2,807
	<hr/>	

INDEPENDENT OR PAY PATIENTS.

There were of this class, at the beginning of the year, 13 males, 14 females.	27	
Received during the year, 15 males, 7 females	22	
	<hr/>	
Whole number under treatment, 28 males, 21 females		49
Discharged during the year, 19 males, 6 females.....		25
	<hr/>	
Remaining at the end of the year, 9 males, 15 females.....		24

PUBLIC PATIENTS REMAINING AT THE END OF THE YEAR.

From the Army.....	231	
From the Navy.....	25	
	<hr/>	256
From civil life		174
	<hr/>	430
	<hr/>	
Males, 331; females, 123; total.....		454
	<hr/>	

The hospital has been, in general, highly prosperous during the year 1869-'70. It has afforded more weeks' board than in any other year of its history, and its benefits have been shared by more insane persons than in any other except in each of the last two of the late war. One hundred and eighty new cases were admitted and 549 received the benefits of the institution in the course of the year. There were 369 cases under treatment at the beginning of the year, and 454 at its termination.

There were 41 full recoveries, and in 22 other cases there was so much improvement in their mental condition that they were able to live at home and in some instances to engage in useful labor or business. Seventeen persons whose mental condition had not improved while here were removed either to reside at home with relatives or in institutions for the insane nearer than this to their respective homes. The recoveries were 42 per cent. of the discharges including deaths, and 53 per cent. of the discharges exclusive of deaths. These are highly favorable ratios in view of the fact that the cases of late sailors and soldiers are all chronic and presumptively incurable, and that the proportion of recent and presumptively curable cases to the whole number received in the last two years has been only 54 per cent. Experts in the statistics of insanity are in the habit of expressing the ratio of recoveries to discharges including deaths rather than to the whole number under treatment, because chronic cases sometimes recover fully and the character of the final event of hospital life can be confidently predicted in but few cases.

There were 18 deaths. The rate of mortality in any community is properly reckoned upon the whole number of persons composing it, because death may at any time happen to any member of it. The deaths in the hospital last year were a little less than 3½ per cent. of the whole number under care, which is the lowest rate of mortality in any one year since the institution was opened for the reception of patients; and it is the more remarkably low in view of the crowded condition of the house, which has rendered it necessary, besides using most of the

day rooms as dormitories, to lodge two and occasionally three patients in many of the single rooms. The site of the hospital is highly salubrious, and the last was a healthy year in all this region of country, but the very remarkable degree of health enjoyed by our crowded household was essentially due to the thorough forced ventilation of the buildings and an abundant, varied, and wholesome dietary.

The year closed with 454 patients in the house, and at the date in the current year of the preparation of this report the number has risen to 470. In the report from this hospital for the year 1868-'69 the prediction was ventured that before the 1st of July 1871, the institution would "be compelled to provide accommodations for at least 450 patients." It will be seen that that number was exceeded by 4 a year earlier, and that it is now exceeded by 20. No patient has been received in the course of the year under review whose admission was not required by law.

* * * * *

At the close of the fiscal year ending June 30, 1869, \$2,828 84 of the appropriations for building the wall inclosing the grounds of the hospital remained unexpended. In the course of the year covered by this report the remainder of those appropriations has been disbursed, and this important, and in some parts very difficult, work has been finished except on the river front.

The purchase by the United States for the use of this institution of the farm of about one hundred and fifty acres, for which an appropriation was made in the general appropriation bill, approved March 3, 1869, was finally consummated in November last. The hospital now has four hundred acres of land attached to it, which is thought to be ample in quantity for all its immediate and prospective economical and sanitary purposes.

The extension of the hospital for which an appropriation was made by Congress at its last session was commenced soon after the adjournment. Favorable contracts have been made for most of the materials required for the construction of the extension, and about three-fourths of them have been delivered. The cellar has been excavated and the walls of the cellar, basement story, and of the first of the three main stories have been laid. The confident expectation is entertained of getting this building under roof before the close of the present building season.

An appropriation of \$2,000 for a coal-house has not been drawn from the treasury, it having been deemed expedient to postpone that improvement to the present time.

An appropriation of \$6,000 to improve and increase the cottage accommodations of the families of the employes of the hospital has recently been advanced to the Superintendent, and the work is in progress.

The repairs made in the past year were restorations of the current wear and damages by the most destructive class of people in the world, and of the ordinary wear and destruction of time and the elements; and they were necessary both to the protection and proper treatment of the insane and to the preservation of the buildings, furniture and fixtures of the establishment. The few improvements executed have been demanded by economical exigencies and have mainly consisted of under-draining, grubbing, grading, fencing, and fertilizing some pieces of land which were otherwise unproductive, and of increasing the available water supply near the hospital building, and thus rendering the expensive operation of pumping inferior water from the river unnecessary except in times of extraordinary drought. The latter improvement consists of a brick reservoir (now the third) and fourteen hundred run-

ning feet of aqueducts of earthen pipe connecting it with two small but remarkably constant springs, whose average daily yield of excellent water throughout ordinary years is about eight thousand gallons. The pipe is indestructible and laid deep and well, and there is no obvious reason why it should not last in good order for a thousand years. The entire water supply on the hill and so near the hospital buildings that it is raised by pumps driven by steam from the same boilers that drive the fan, laundry, and farm engines, will now average about twenty-five thousand gallons per day throughout the year. Unfortunately, the daily supply of water on the hill, which is wholly from small springs, is not equal throughout the year, and is least in summer when it is desirable to use the most water; but, as we have before remarked in effect, we think the minimum supply will now rarely fall so far below the absolute requirements of the establishments as to make it necessary to pump from the river.

Estimates of appropriations required to support the hospital during the fiscal year ending June 30, 1872, and to supply deficiencies in the sums needed to support the hospital during the last and fiscal years; also estimates of appropriations necessary to execute sundry repairs and improvements.

Estimate of the appropriation required to support the hospital during the fiscal year ending June 30, 1872: The annual increase of the number of patients the government is required by law to support has been 16 per cent. in the last two years. It was 14 per cent. in 1867-'68, and 18 per cent. in 1868-'69. If the same ratio of increase continues during the current year (1870-'71) and the year 1871-'72 for which this estimate is made, the average number of patients in the latter year for whose support and treatment provision will need to be made, will be 538. This calculation does not, of course, include the private or pay patients the hospital may be called upon to accommodate in the period in question. Though there were as many as 45 admissions of the class of patients known as late soldiers and sailors in the course of last year, and the admissions of the same class during the first quarter of the current year have been greater than the average of any one year since the passage of the act of July 13, 1866, providing for their care in this institution, it is thought that the occurrence of fresh cases entitled to the benefits of the hospital under the provisions of that act must in time diminish. When the accessions of this class of cases to the population of the establishment will begin to diminish, and how rapidly they will then lessen, cannot be clearly foreseen.

No reason is known for supposing that there will be a lower ratio of admissions of the other classes of the insane which the institution is required to provide for except the fact that the number of new cases of insanity which have occurred in the Army and Navy and in the District of Columbia has been quite as large in the last two years in proportion to the number of men in the military and naval services and to the population of the District as is usual in other bodies of men or in mixed communities, and much increase of the ratio of cases of recent origin to population would be extraordinary.

Upon the data and considerations now briefly stated, the board of visitors of the hospital base the opinion that the average number of patients supported by the Government in the year ending June 30, 1872, will not be less than 500, and respectfully ask for \$125,000, the amount

necessary to maintain that number with a small addition for contingencies.

The amount of this estimate is based upon the expectation that the entire cost of the support and treatment of each patient will be 68½ cents per day, which is thought to be the lowest rate at which the inmates of this hospital can be taken care of, at the prices of supplies and rates of wages that rule in this District, in a manner that is comfortable and proper in itself and satisfactory to the benevolent and patriotic sentiments of the country. It is proper to bear in mind that the salaries of the officers of the institution and every expense of the board, clothing, nursing and medicines, and of the hygienic, medical, and moral treatment of all the inmates of the hospital supported by the Government, is paid out of the appropriation made for the purpose; and that experience shows that the whole amount received for the board of private patients does not materially exceed the cost of their support.

The estimate submitted for the support of dependent patients during the year 1869-'70 was based upon the average number, 326, the preceding year, and what was thought to be the probable increase in the course of the year for which the estimate was made. The increase proved to be extraordinary, and the average number of dependent patients in 1869-'70 was 386, or 60 more than in the preceding year, and though a careful economy has been practiced there is a deficiency of \$3,500 in the amount necessary to pay every indebtedness of the institution to June 30, 1870, as stated on a preceding page of this report.

Four hundred and seventy patients are under treatment at the date of submitting this report, or when only a little more than the first quarter of the current fiscal year has elapsed, 25 of whom are private or pay patients, and the remainder, 445, are supported by Government as required by law. If the ratio of increase of this class over the number under treatment last year should equal the average ratio of increase of dependent patients during the two preceding years, the average number during the current year will be 464. Assuming, however, that the average number in the current year has been nearly reached and that it will not exceed 450, or only 5 more than there are under treatment at this early period of the year, (and there is no probability that it will be less,) the cost of their maintenance will be not less than \$112,500. Ninety thousand five hundred dollars have already been appropriated for the purpose, which leaves a deficiency of \$22,000 in the amount that will be required to carry the hospital through the current year. The board respectfully asks for the appropriation of the amount of these two deficiencies, which is \$25,500.

The west wing of the hospital edifice was opened for the reception of patients in January 1855, and has since been constantly occupied by a large number of insane men. Some of the floors are nearly worn out and need to be renewed, some of the furniture is considerably worn and needs repairs or renewal, and additional furniture is necessary on account of the large increase of patients beyond the number originally provided for in that part of the house. The roof of the entire wing needs painting and the interior wood-work needs repainting or varnishing. The car tracks and some of the pavement in the basement require renewal. At least \$15,000 will be required to effect these repairs and improvements, which are required both for the preservation of the building and for the promotion of the health and comfort of the insane under treatment in the institution.

The wall has been built on three sides of the original grounds of the hospital, a distance of nearly two miles. The completion of the work

by the erection of the wall along the river front is necessary, to render what has already been built fully useful as a barrier against escapes of patients and the intrusion of the public. It is also necessary, both to free the grounds along the river shore from miasm, and to prevent them from being gradually washed away by the action of water in storms. The completion of the wall will lessen the number of attendants required to watch the patients while exercising in the grounds, and make a valuable addition to the productive lands of the institution by reclaiming several acres from the river. Ten thousand dollars will be needed for this object.

The recently acquired tract of one hundred and fifty acres known as the Shepherd farm, is principally used for grazing milch cows and beeves. It is now inclosed by a rail fence, much of which is old and poor, and a more substantial fence is necessary to render the land fully available for the economical purposes of the institution. This land will in time be cleared, underdrained, fertilized, and made highly productive by the ordinary labor of the hospital, but the fencing needed cannot be done without the aid of a small special appropriation. The length of the fence required is about two and one-eighth miles, and we estimate that built in a plain, substantial manner, of one inch cullings, and cedar or chestnut posts, it will cost \$3,000.

Believing that the benevolent objects of the institution and its economical administration will both be materially subserved by the few repairs and improvements we propose to execute in the year 1871-'72, we trust that they will have your approval, and that Congress, governed by the same just and liberal spirit which has always characterized its legislation in behalf of the hospital, will deem it proper to appropriate the sums estimated to be necessary to carry them into effect.

In April last Dr. W. W. Godding resigned the post of first assistant physician of the hospital, which he had held for nearly five years, to accept the position of superintendent of the Massachusetts State Lunatic Hospital at Taunton. Dr. Godding was connected with the Government Hospital for the Insane for about six and one-half years, and discharged the highly responsible and often difficult duties assigned to him here, with marked ability, tact, and fidelity, and we have much confidence that his capacity and energies will prove fully equal to the much greater responsibilities of the distinguished position he now occupies.

No other change than that just indicated took place in the medical staff of the hospital during the year, and the remaining assistants, Dr. Eastman and Dr. Franklin, have continued to discharge their duties with faithfulness, energy, and ability. The housekeeper of the hospital, Miss Bennett, and the clerk, Mr. Lyon, deserve notice for their intelligence and untiring devotion to the economical interests of the institution. We have also a high appreciation of the integrity and faithfulness displayed by most of the attendants and other employes of the establishment.

Again invoking for this noble institution the fostering care of the Department and a continuation of the same liberal support of Congress which it has always hitherto enjoyed,

We are, very respectfully, your obedient servants,

W. GUNTON,

President of the Board.

C. H. NICHOLS,

Superintendent and ex officio Secretary of the Board.

Hon. J. D. Cox,

Secretary of the Interior.

REPORT OF THE OFFICERS OF COLUMBIA HOSPITAL

COLUMBIA HOSPITAL FOR WOMEN AND LYING-IN ASYLUM,
Washington, October 31, 1870.

SIR: The board of directors most respectfully submit the accompanying report of the surgeon-in-chief of the above hospital, and earnestly recommend that the amount therein estimated, \$18,500, be asked for the support of the institution for the fiscal year ending June 30, 1872.

This is the sum that was appropriated by Congress last year for the same purpose, with the addition of \$500 for books and instruments, which are much needed, and for which no appropriation has hitherto been asked. It will be seen that the numbers seeking the advantages to be derived from treatment in this institution are largely on the increase, but we believe, by a continuance of the economy which has hitherto been exercised in the disbursements, that the sum asked will be sufficient for the year in question so far as the support of the institution is concerned.

Up to the present time we have had no permanent home, retaining possession of the buildings we have occupied by the tenure of short leases, and a portion of the time being tenants on sufferance only. The buildings have been ill adapted for the purposes of a hospital, and the general accommodations insufficient to meet the increasing demand.

To conduct a hospital successfully and economically it is necessary that it should be thoroughly ventilated, sewered, and abundantly supplied with water; all its appointments should be labor-saving. Such an edifice must either be built *de novo* from well-digested plans, or a building selected susceptible of the necessary alterations.

The building now occupied by the hospital is very advantageously situated at the junction of L street with Pennsylvania avenue, and on the line of the city railroad. The buildings are commodious and very substantial, and capable of alterations which will comply with all the requirements of a first-class hospital, and afford accommodations for one hundred and fifty patients.

The owners of this property recently offered to sell it to the board of directors, with 40,000 feet of ground surrounding it, for \$25,000.

This offer was considered so advantageous, that after a careful survey of the buildings by competent architects, and a demonstration of their susceptibility of the necessary alterations by plans and estimates, it was decided to accept the offer conditionally; the condition being that Congress would appropriate a sufficient sum to assist in making the purchase and completing the proposed changes.

The contemplated alterations will cost about \$20,000. This, added to the cost of the buildings and grounds, makes a total of \$45,000. Such a building as we should then have, the architects assure us, could not be erected for less than \$60,000. The cost of the ground, at a low figure, would amount to \$10,000, making a total of \$70,000. This we can accomplish at an outlay of \$45,000 only.

We most respectfully recommend that an appropriation of \$30,000 be asked from Congress to assist the directors in making the purchase and carrying out the proposed alterations.

* * * * *

We remain, very respectfully, your obedient servants,

MOSES KELLY,

President of the Board.

JOHN N. COOMBS,

Secretary of the Board.

Hon. J. D. Cox, *Secretary of the Interior.*

COLUMBIA HOSPITAL FOR WOMEN AND LYING-IN ASYLUM,
October 30, 1870.

GENTLEMEN: I have the honor to submit the following summary of the operations of the hospital under my charge for the fiscal year ending June 30, 1870:

Number of patients under treatment June 30, 1869:

In-door.....	22
Out-door	34
Total.....	56

Number of patients admitted during the year ending June 30, 1870:

In-door.....	191
Out-door.....	1,082
Total.....	1,273

Total number of patients under treatment during the year ending June 30, 1870..... **1,329**

Number cured.....	1,163
Number relieved.....	52
Number incurable.....	27
Number died.....	10
Number under treatment at date of report.....	77
Total.....	1,329

Number of births..... **76**

I respectfully submit the following estimates for the fiscal year ending June 30, 1872:

For support of the institution over and above the probable amount to be received from pay patients.....	\$15,000
For rent and repairs.....	3,000
For books and instruments.....	500
Total.....	18,500

I am, gentleman, very respectfully, your obedient servant,
J. H. THOMPSON,
Surgeon-in-chief.

REPORT OF THE WARDEN OF THE JAIL.

WARDEN'S OFFICE, UNITED STATES JAIL,
Washington, D. C., November 1, 1870.

SIR: I have the honor to submit the following report of the condition and management of the United States jail, District of Columbia, during the year ending October 31, 1870:

Thirty years have elapsed since the jail was built. It has neither the means of ventilation, convenience of structure, capacity, nor the modern improvements that a building should have where so many prisoners are constantly confined. Besides, it is built of brick and very poor mortar, and the walls can easily be penetrated by such prisoners as are frequently confined here. Such want of security of the building renders necessary the vigilant watchfulness of the guards in and around it during all of the hours of the day and night to prevent the escape of prisoners. Its condition is such that repairs from time to time are absolutely necessary.

Such repairs only as were indispensable have been made, and the building is now in as good condition as at the beginning of the year. The jail throughout has been kept scrupulously clean, and as well ventilated as its structure would permit. Lime has been principally relied upon as a disinfectant, and has been daily used. The result, in my judgment, has been quite satisfactory. The sanitary condition has been excellent, and a good condition of health has existed among the prisoners. A large proportion of the sick were diseased when sent here. In this connection I desire most respectfully to call your attention to the urgent necessity which exists for a new jail for this District.

In addition to what has been stated above in regard to the jail, I will further state that its dimensions are not sufficient to properly accommodate so many prisoners as are confined here. There are 18 cells, each 8 by 10 feet; neither of them has any opening or means of ventilation other than through an iron-grated door opening into an adjoining corridor, which can only be ventilated by means of the windows. Besides, they are not connected with a sewer nor provided with water-closets, by reason of which night-tubs are necessarily used for the accommodation of the prisoners, and thus the closely-confined air of the cells (which are always occupied) is unavoidably rendered more or less offensive and impure, notwithstanding extra efforts are made to mitigate the evil effects thereof so far as possible. It is necessary to confine in each of these cells from four to eight persons, varying according to the number of prisoners in jail. I submit that confining so many persons in so small a space, under such circumstances, borders closely upon inhumanity. The female department consists of 5 rooms, 16 by 18 feet each, on the second floor of the building, which are comparatively comfortable; but the want of sewerage and water-closet accommodations exists there the same as in the cells. In addition to the above there are 5 rooms on the third floor of the same size of those last mentioned. These rooms were formerly known and used as the "debtors' department," and are not considered sufficiently secure for the safe-keeping of criminals. They are used, however, for the confinement of boys, the sick, and such as have but a short time to remain, and who have but little inducement to escape. What has been stated in speaking of the cells of the want of sewerage, water-closets, and the like, also applies to those rooms.

You are respectfully referred to the report of the physician to the jail, a copy of which is hereto annexed, for further particulars upon this subject, and other valuable information.

The guards, physician, and employes have performed their duties creditably, and good order and rigid discipline have been maintained.

The number of prisoners in jail on the 1st day of November, 1880, was..... 81

There were committed during the year—

Males	1,361
Females	163

Total number in jail during the year	1,504
--	-------

Excess of commitments over last year, 224.

The above are classified as follows:

Grand larceny	137
Burglary	19
Highway robbery	14
Robbery	23
Riot	21
Assault, with intent to kill	70
Embezzlement	10

Obtaining goods by false pretenses	19
Murder	12
Rape	6
Perjury	3
Arson	4
Forgery	11
Bigamy	2
Attempting to poison	5
Passing counterfeit money	3
Resisting officers	15
Illegal voting	6
Illegal registering	5
Receiving stolen goods	3
Carrying concealed weapons	1
Deserting vessel	3
Petit larceny	522
Contempt of court	10
Affray	5
Enticing prostitution	8
Indecent exposure of person	5
Assault	75
Assault and battery	92
Breach of the peace	49
Disorderly conduct	14
Keeping bawdy-house	16
Assault, with intent to commit rape	10
Trespass	7
Vagrancy	9
Fathers of illegitimate children	6
Committed by House of Representatives	1
Committed by court, "offenses not stated"	189
Committed by court, awaiting requisition	9
Held as witnesses	3
In jail November 1, 1869	81
Total	1,504

Of the above there have been convicted by the courts—

Males	340
Females	52
Convicted and new trials granted	9
Convicted and pardoned	2
Total	403

The above are classified as follows:

Grand larceny	27
Burglary	7
Bigamy	1
Robbery	5
Assault, with intent to kill	13
Rape	4
Horse-stealing	5
Assault, with intent to commit rape	2
Manslaughter	1
Forgery	1
Riot and affray	1
Affray	9
Keeping bawdy-house	6
Keeping disorderly house	7
Indecent language	3
Indecent exposure	3
Prostitution	9
Assault, and resisting officer	8
Assault and battery	33
Drunkenness	1
Petit larceny	159
Disorderly conduct	8
Vagrancy	7

Trespass	6
Assault	55
Breach of the peace	7
Bastardy	1
Contempt of court	4
Convicted and new trials granted:	
Murder	3
Rape	2
Burglary	3
Grand larceny	1
Convicted and pardoned:	
Assault, with intent to kill	1
Horse stealing:	1
Total	403

Of whom there were sent to the Reform School of the District of Columbia	55
Sentenced to the penitentiary at Albany, New York	56
Died in jail	3
There have been released during the year	1,267
Now confined in jail	123
The daily average number of prisoners	122
The greatest number in jail at one time was	181

No prisoner escaped from jail during the year, although frequent attempts to do so were made.

The expenditures have been as follows:

Subsistence	\$10,685 01
Medicines and disinfectants	223 25
Fuel and gas	1,842 46
Beds, bedding, and clothing	2,387 22
Hardware, tinware, tubs, buckets, and cooking utensils	289 95
Repairs	1,068 41
Blanks, blank books, and stationery	132 95
Transportation of prisoners to Albany penitentiary	1,583 42
Burial of dead	16 00
Removal of sick to hospital	3 00
	18,231 67

Which is \$3,663 15 less than last year's expenditures.

The same number of guards, physician, and cooks have been employed as last year; their salaries amount to

25,360 00

Total expenditures, including salaries of guards, &c.

43,591 67

Very respectfully, your obedient servant,

JOHN S. CROCKER, *Warden.*

Hon. J. D. Cox,

Secretary of the Interior.

UNITED STATES JAIL, HOSPITAL DEPARTMENT,
October 30, 1870.

SIR: I cannot report favorably as to the health of the prison as in other years. We have had more than the usual number of those diseases which are consequent upon the depraved habits of life of those who are sent here as prisoners. This is exhibited particularly in the increase of cases of syphilis of severe form, primary, secondary, and tertiary; much disease of chronic character from the same cause. We have had, in common with the population of the city, more than the usual number of miasmatic diseases; also, those arising from ordinary climatic causes, more or less severe. The greatest attention has been

paid to the cleanliness of the prisoners, to their diet, regimen, &c., and to keeping as pure as possible the atmosphere of the prison by the use of disinfectants, whitewashing, &c. As much ventilation as was possible has been secured with the means at our disposal and as the building would permit. Indeed, it is mainly to these precautions that we are indebted for the health of the inmates; for, constructed as the building is, and crowded as it is always, if these measures were not rigidly pursued, we should have pestilence either in the form of typhus fever or some such disease as is incident to the overcrowding of human beings. My most sincere thanks are due to the guards and the attendants of the jail for their cheerful and unremitting endeavors to aid me in the discharge of my duties as physician. We have had three deaths and one birth during the year.

I have the honor to be your obedient servant,

N. YOUNG, M. D.,

Physician United States Jail, D. C.

J. S. CROCKER,

Warden United States Jail, D. C.

REPORT OF THE BOARD OF METROPOLITAN POLICE.

DEPARTMENT OF METROPOLITAN POLICE,
OFFICE OF THE BOARD, NO. 482 LOUISIANA AVENUE,
Washington, D. C., October 22, 1870.

To the Hon. SECRETARY OF THE INTERIOR:

The Board of Police of the Metropolitan Police district of the District of Columbia respectfully submit their ninth annual report of the condition of the police of said district for the year ending September 30, 1870, in accordance with the twenty-fourth section of the act of Congress entitled "An act to create a Metropolitan Police district of the District of Columbia, and to establish a police therefor," approved August 6, 1861.

THE FORCE.

The regular force, as at present constituted, consists of 238 men, as follows, viz.:

Major and superintendent.....	1
Captain and inspector.....	1
Lieutenants.....	10
Sergeants.....	20
Privates or patrolmen.....	200
Detectives.....	6
Total.....	238

There are also in the employment of the board, under authority of law, the following officers, viz.:

Secretary to the board.....	1
Property clerk.....	1
Clerks.....	3
Surgeons.....	3
Magistrates*.....	8
Messengers.....	2

* Since the organization of the police court the services of magistrates have been dispensed with.

The board has also commissioned, as provided by law, 35 persons as additional privates, to do duty in various localities, at the expense of the parties making application for their appointment.

DISPOSITION OF THE FORCE.

At the central office, with duties extending throughout the entire district, the following officers are assigned, viz :

The major and superintendent.....	1
The captain and inspector.....	1
One lieutenant in charge and six detectives.....	7
One lieutenant in charge and eleven sanitary officers.....	12

For more thorough and perfect police surveillance, the district is divided into eight precincts, to each of which is assigned a lieutenant, sergeants, and privates, as follows, viz.:

First precinct.—One lieutenant, two sergeants, and twenty-three privates.....	26
Second precinct.—One lieutenant, two sergeants, and nineteen privates.....	22
Third precinct.—One lieutenant, two sergeants, and twenty-one privates.....	24
Fourth precinct.—One lieutenant, two sergeants, and twenty-three privates.....	26
Fifth precinct.—One lieutenant, three sergeants, and twenty-six privates.....	30
Sixth precinct.—One lieutenant, three sergeants, and nineteen privates.....	23
Seventh precinct.—One lieutenant, three sergeants, and thirty-one privates.....	35
Eighth precinct.—One lieutenant, three sergeants, and twenty-seven privates.....	31
Total.....	238

INCREASE OF THE FORCE.

The experience of the past has shown that the present force is not adequate to the demands upon it. The large increase of population, and its extension to portions of the city hitherto unimproved, but now being occupied with a growing population, require the presence of a larger police force to protect persons and property.

It is earnestly recommended that the present force be increased to the extent of 4 sergeants and 50 privates, or patrolmen.

CENTRAL OFFICE.

It is now upwards of nine years since this force was organized, during which time it is believed to have deservedly acquired a reputation for efficiency and discipline second to none in this country. Much inconvenience and expense have, however, been necessarily incurred from the want of a permanently located central office.

The board is now occupying its fourth place, having removed three times since its organization, and each time at great inconvenience and heavy expenses in repairs of buildings occupied, fitting up and altering others for use, damage to furniture, change of telegraph lines, and other changes incident to such removals. There have accumulated, out of past appropriations for the support of the force, unexpended balances amounting to about \$24,000, and it is respectfully recommended not only as a matter of economy but of convenience, that authority be obtained from Congress to expend this amount in the erection of a building for a permanently-located central office.

STATION-HOUSES.

Several new station-houses are very much needed. No additional accommodations of this kind have been provided since the last annual report, except that, in the third precinct, the corporate authorities of Georgetown have completed a station which was in process of erection

one year ago. That precinct has now a well-constructed, commodious, and convenient station-house and lock-up, which reflect much credit upon the public spirit and enterprise of the municipal government of that city. In Washington, and within the jurisdiction of the levy court, it is to be regretted that the necessity exists of reporting that a lamentable neglect has long existed with reference to the proper accommodations of the police officers detailed for duty in those portions of the District.

There are but two station-houses in Washington which were intended for such use when erected, and those were so badly constructed that they are constantly in need of repairs.

Four new station-houses are needed in Washington and one at least in the county outside the city limits. As before stated, the buildings now in use in most of the precincts were erected for private purposes and have not adequate accommodations for the men, while the cells or prisons are small, insecure, and badly ventilated, rendering them offensive and unwholesome to persons confined therein.

The efficiency of the force would be materially increased were there proper accommodations for the comfort of the men at the several stations. The following language, held by the board in its last annual report, is equally applicable in this, and is rendered more emphatic by an additional year of privations and hardships:

"The exposure to inclement weather to which policemen are subjected is probably greater than that of any other class of persons, for it is when the night is the most stormy and forbidding that the burglar and the thief engage in their predatory depredations, and, consequently, then it is that the police officer should be most active and watchful. Proper activity and watchfulness at such times should insure for the officer proper provisions for his comfort and health when his tour of duty ends; otherwise, loss of time, sickness, and general inefficiency follow, and the ends for which a police force is organized are frustrated. No officer, however hardy his constitution, can, after a night's exposure to the storm and cold, remain about a station-house for several hours, wet, weary, and chilled, waiting to appear as a witness against persons whom he may have arrested during his tour of active duty, without impairing his health and usefulness. Humanity forbids that a man who has shattered his constitution and ruined his health through a faithful and honest discharge of duty should, for that cause, be dismissed the force and thrown upon the charity of the community, especially when his misfortune is the result of neglect on the part of those whose duty it is to provide accommodations which shall render the force in the highest degree efficient and useful."

When the corporate authorities of Washington erect station-houses in precincts now without proper accommodations, they will add greatly to the comfort as well as to the usefulness of the force, and put it within the power of the board to obtain a greater amount of service from the men in its employ, and a truer economy in the expenditure of money for their support.

It is hoped that the financial condition of the corporation of Washington under the present municipal administration will be such as to speedily remedy the evils above referred to.

DISCIPLINE OF THE FORCE.

In the enforcement of discipline and efficiency on the part of the force charges have been preferred and trials accorded by the board in 49

cases, for violations of the rules and regulations and other offenses, resulting as follows, viz :

Dismissed the force, privates.....	21
Reprimanded and fined.....	1
Fined.....	5
Complaints dismissed.....	22
Total.....	49

In addition to the above, one private has been dropped from the rolls after serving a probationary period of sixty days, for the reason that he did not develop sufficient aptitude for the efficient performance of police duty.

LIQUOR-SELLING LICENSES.

There were presented for the approval of the board, under the act of Congress approved July 23, 1866, 371 licenses to retail intoxicating liquors: Of this number, 294 received the approval of the board and 77 were disapproved. Of the whole number presented for approval, 330 were from Washington, 35 from Georgetown, and 6 from the county of Washington outside the two cities. Of the number disapproved, 72 were from Washington, 3 from Georgetown, and 2 from the county. The number applying for approval is 183 less than last year and the number approved is 46 less than the previous year.

Very few complaints have been made against persons holding approved licenses for violations of law, but others who hold no licenses sell a vast quantity of the vilest kind of liquor without regard to the law requiring license for its sale. It is with the greatest difficulty that these clandestine sales can be detected in such a manner as to insure conviction in court. Drunken men are seen about these places passing in and out, liquors may be found therein, but to prove positively that liquor was bought, drank, and paid for on the premises is almost impossible, unless the complainant himself shall become the customer. Very few persons are willing to become informers under such circumstances, and those who are willing are generally of a class whose testimony is regarded as unreliable and interested to the extent of the moiety of the fine they are entitled to as informers.

It is recommended that a law be enacted whereby summary proceedings may be instituted against persons who engage in the illicit sale of intoxicating liquors. Certain it is that a more summary legal process is necessary in order to suppress this pernicious traffic. Liquors found in such places should be seized and destroyed, the places closed, and the owners thereof be required to enter into bonds that the place shall not again be used for like unlawful purposes.

JUVENILE OFFENDERS.

Under the act of Congress approved May 6, 1870, a reform school for boys has been established and is now in successful operation upon what is known as the Government Farm, near the Potomac River and about three miles above Georgetown. Already the salutary effects of this school are plainly perceptible upon the wayward boys of our District who have not been committed to its custody. Hitherto vicious and unruly boys had been permitted to roam about our streets almost unrestrained, for the reason that we possessed no means for their punishment or reform other than our common jail. It was deemed better to

allow them considerable license, though very annoying to our citizens, rather than place them in contact with old and hardened criminals in our jail and workhouse for slight offenses, where their vicious propensities would be stimulated and their reckless habits confirmed. No institution in this District should be more carefully nurtured or generously supported than the Reform School. Through its influence many youths will be restored to usefulness in society and our criminal record be curtailed of many of its victims.

POLICE COURT.

As provided by an act of Congress approved June 17, 1870, a police court has been organized for this district with results very beneficial to our community. In its practical workings, however, it has been found that there are some defects in the organic law. All of these can be easily remedied by additional legislation. Already the certainty of a speedy trial and punishment, if guilty, by this court has sensibly diminished the number of arrests made necessary on account of petty offenses. Hitherto the trial for an offense followed so remote from the arrest that the offender was almost certain of an acquittal by a jury through the absence of or tampering with witnesses, for which there were abundant time and opportunity. This was well understood and sure to be acted upon by the accused under the former system.

POLICE TELEGRAPH.

The superintendent of the police telegraph reports that 25,393 messages have been sent through its agency during the past year, of which a record has been kept at the central office; besides fully an equal number, probably, which have passed between different police stations of which no record was made. Through the aid of this telegraph 119 lost children have been restored to their parents; 121 strayed or stolen animals have been recovered; 45 vehicles have been similarly disposed of; 595 dead animals have been reported to the sanitary police; 26 alarms of fire have been given, and the coroner has been notified that his services were needed in 38 cases.

Each succeeding year demonstrates the great utility and convenience of this line of telegraph. It is believed that its extension to points not now reached would prove of great advantage to the police as well as to the public generally.

- DETECTIVE CORPS.

The following summary will show such of the operations of the detective corps as can be made a matter of record. The larger portion of their work is of such a nature that it cannot be made to appear in a report of their efforts and accomplishments:

Number of robberies reported.....	743
Number of arrests made.....	382
Amount of property lost or stolen.....	\$243,931 45
Amount of property recovered.....	239,322 06
Amount of property turned over to property clerk.....	15,997 27
Amount of property taken from prisoners and returned to same.....	206,621 08

In addition to the amount of lost or stolen property reported above recovered by the detectives, \$460 were recovered by precinct officers, and \$3,242 98 were recovered by the owners.

SANITARY OPERATIONS.

For a detailed account of the operations of the sanitary company reference is made to the report of Lieutenant Cornelius Noonan, in charge of said company, which is submitted herewith. Lieutenant Noonan's report contains many excellent suggestions which are worthy of consideration.

RECAPITULATION.

The following is a recapitulation of the work done by the police force during the year ending September 30, 1870, a more extended exhibit of which will be gathered from the foregoing tables:

The whole number of arrests during the year has been 15,603; of which 12,966 were males, 2,637 were females; 6,479 were married, 9,124 were single; 9,505 could read and write, 6,098 could not read or write.

The offenses may be classified as follows:

Offenses against the person, 8,415 males; 1,817 females.

Offenses against property, 4,551 males; 820 females.

Of the cases reported the following disposition has been made: 5,748 were dismissed; 11 were turned over to the military; 833 have been committed to jail; 103 have been committed to jail in default of security to keep the peace; 354 gave bail for court; 1,301 have been sent to the workhouse; 563 gave security to keep the peace; 31 were sent to the Reform School; 16 not disposed of; and in 403 cases various light punishments have been inflicted, and they have been classed under the head of miscellaneous.

Fines have been imposed in 6,150 cases; amounting in all to \$23,607 61, as follows:

In Washington City, including a part of county.....	\$32,101 73
In Georgetown, including a part of the county.....	1,221 58
In United States cases.....	283 00
Total.....	23,607 61

INCIDENTAL DUTIES.

The number of destitute persons furnished with lodgings has been, during the year.....	3,696
Lost children restored to parents.....	203
Sick or disabled persons assisted or taken to hospital.....	275
Horses, cattle, and vehicles found estray and restored to owners.....	230
Doors found open and secured by the police.....	269
Fires occurring in the District.....	167
Dead animals removed.....	1,264
Suicides.....	3
Inquests.....	34
Accidents reported.....	14
Persons and abandoned infants found by police.....	25
Friendless persons buried.....	252
Persons buried on order given on mayor of Washington.....	261
Persons buried on order given on mayor of Georgetown.....	8
Persons buried on order given on levy court.....	11
(Of the orders given for burial 26 were still-born children.)	

I have the honor to be, sir, very respectfully, your obedient servant,

WM. J. MURTAGH,

President of the Board.

DEPARTMENT OF METROPOLITAN POLICE,
SANITARY OFFICE,
Washington, D. C., October 1, 1870.

SIR: I have the honor to submit herewith my annual report, containing, as will be found in tables annexed, the number of nuisances reported at the central office, the number of nuisances abated, and the number unabated, together with various other duties performed by the sanitary company during the year ending September 30, 1870.

The labors of the sanitary company, although reduced during the winter months to four active members, have been productive of the most satisfactory results; and it gives me pleasure to state that our city compares favorably at the present time with any other city in the Union for health and salubrity.

In my last annual report reference was made to the existing law, approved July 16, 1862, governing the sanitary company, and therein took occasion to touch upon the necessity of its speedy amendment by Congress. Again I take the liberty of remarking that, so long as the law referred to stands unaltered, the objects held by its framers when creating the sanitary company can never be attained. Under the law as it is at present no penalty is prescribed for offenders, and consequently they go unpunished in almost every instance where opposition is made; and the result is that glaring nuisances continue to be committed, thus endangering the lives and property of our citizens. In this connection attention is respectfully called to the numerous obstacles which impede the officers of this company under the corporation laws to abate nuisances.

Generally the citizens give their hearty coöperation with the officers when discharging such duties, but not a few are unwilling to comply with the law, and give much annoyance and present bitter opposition to the officers; and indeed question, not unfrequently, their authority to enter premises in the discharge of their duties.

STILL-BORN AND ABANDONED INFANTS.

It is painful to report that the number of still-born and abandoned infants has increased over 20 per cent. during the past year. In view of this fact it is clear that some speedy legislation is required to check, as far as possible, this growing evil. To my mind there are various ways by which the lives of some, at least, of these infants might be saved. Among others may be mentioned, first, the erection of a general orphan asylum; second, the passage of a law by our city authorities by which the parents would be compelled, under penalty, on the death of such infant, to procure a certificate as to the cause of death from the family or ward physician; third, to require ward physicians, when called upon, to visit and make thorough examination of the bodies of such infants, and give certificate as to the cause of death. Under present arrangements, the sanitary officers, acting in such cases under instructions from the Board of Health, have signed many burial certificates which, in my opinion, should be done only by responsible physicians.

TENEMENT HOUSES.

To the condition of the small tenement houses, occupied principally by the poorer class of colored people within the city, I would call attention, more particularly to those in groups and villages. In some instances it is surprising how so many persons can live in such close proximity to each other without creating some terrible epidemic, when it is

known that sometimes large families dwell in a single room ten feet square, and yet escape disease of an epidemic nature.

During the war and subsequent thereto, the Government furnished lime and, when needed, labor to thoroughly whitewash such premises, and under the supervision of the sanitary officers they were kept in tolerably good condition; but the Government having ceased to render any further assistance, large numbers of these tenement houses have become dens of filth, and it seems no effort has been made either by their owners or occupants to make them inhabitable. Legislation is necessary either to prevent the overcrowding of these shanties or to compel the owners, before renting them, to provide for their proper ventilation.

The apprehension of the spread of cholera in Europe, and the appearance of epidemic diseases in some of our southern cities, admonish us of the necessity of taking every precautionary measure to preserve the health of our city. I would therefore recommend that the owners of these shanties, heretofore referred to, be compelled by law to furnish them with sufficient doors, windows, and chimneys to insure proper ventilation.

In connection with any measures which may be introduced or adopted for maintaining the health, or for the advancement of our city, there is one subject to which I wish to refer, and which, in my opinion, if properly carried out, would terminate in the most satisfactory results to our citizens, as well as to remove all difficulties which now appear to obstruct progress in the effectual abatement of nuisances, namely, the advisability of asking Congress to enact a law appointing a board of health, with full powers to act in conjunction with the sanitary company under this department.

SLAUGHTER-HOUSES, BONE AND FAT-BOILING ESTABLISHMENTS, ETC.

The number and condition of these establishments have not changed materially during the past year, and many complaints have been made in relation to them; more particularly those erected within the city. In many instances fines have been imposed on their owners for violations of law, but the citizens living in their immediate vicinity will not be free, on this account, from the unhealthiness attributable to them until they are removed outside the city limits.

WASHINGTON CANAL.

Having so often referred, in former reports, to the condition of this detestable channel so universally complained of, it may not be amiss, in view of the alarming spread of cholera, which is at this moment devastating some European countries, and which at any moment may be wafted to our own shores, to request that the speedy attention of our city authorities be directed toward the removal of its foul and festering bed.

Respectfully submitted.

CORNELIUS NOONAN, *Lieut.*

A. C. RICHARDS, Esq.,
Major and Superintendent.

Statistical record of nuisances for the year ending September 30, 1870.

Number of nuisances reported at central office, 6,540.	
Number written notices served.....	2,72
Number nuisances abated on verbal notice by the sanitary officers.....	3,62
Total	6,34

Those nuisances for which written notices have been served may be classified as follows, viz.:

Number of filthy and leaky privies.....	1, 5
Number of cellars with stagnated water.....	2, 7
Number of sewers in filthy condition.....	2, 5
Number of cellars in filthy condition.....	2, 5
Number of stables in filthy condition.....	1, 7
Number of slaughter-houses in filthy condition.....	2, 5
Number of hog-pens in filthy condition.....	1, 5
Number of lots in filthy condition.....	4, 5
Number of gutters in filthy condition.....	2, 5
Number of houses in filthy condition.....	2, 5
Number of alleys in filthy condition.....	1, 5
Number of lots below grade with stagnated water.....	2, 5
Number of pools of stagnated water.....	2, 5
Number of hydrants and street washers leaky.....	2, 5
Number of buildings and walls in unsafe condition.....	2, 5
Number of sheds, &c., in unsafe condition.....	2, 5
Number of chimneys and stovepipes in unsafe condition.....	2, 5
Number of cellar doors and porches in unsafe condition.....	2, 5
Number of wells in unsafe condition.....	2, 5
Number of yards in filthy condition.....	2, 5
Number of wharves in unsafe condition.....	2, 5
Number of areas in unsafe condition.....	2, 5
Number of excavations in unsafe condition.....	2, 5
Number of trees and flag-poles unsafe.....	2, 5
Number of bridges unsafe.....	2, 5
Number of streets unsafe.....	2, 5
Number of pavements out of repair.....	2, 5
Number of improper drains.....	2, 5
Number of houses without privies.....	2, 5
Number of unlawful privies.....	2, 5
Number of persons throwing slops and garbage in street, &c.....	2, 5
Number of obstructions to streets and alleys.....	2, 5
Number of defective rain-spouts.....	2, 5
Number wasting Potomac water.....	2, 5
Number of hog-pens contrary to law.....	2, 5
Number of miscellaneous nuisances.....	2, 5
Total	2, 5

Number of nuisances abated during the year.....	6, 44
Number of nuisances abated by order of the department.....	2, 72
Number of nuisances abated on verbal notice by officers.....	3, 62
Number of nuisances unabated.....	2, 5

Those nuisances abated by order of the department may be classified as follows, viz.:

Number of filthy and leaky privies.....	1, 03
Number of cellars with stagnated water.....	2, 7
Number of sewers in filthy condition.....	2, 5
Number of cellars in filthy condition.....	2, 5
Number of stables in filthy condition.....	1, 7
Number of slaughter-houses in filthy condition.....	2, 5
Number of hog-pens in filthy condition.....	1, 5
Number of lots in filthy condition.....	4, 5
Number of gutters in filthy condition.....	2, 5
Number of houses in filthy condition.....	2, 5
Number of alleys in filthy condition.....	1, 5
Number of lots below grade with stagnated water.....	2, 5
Number of pools of stagnated water.....	2, 5

Number of hydrants and street washers leaky	84
Number of buildings and walls in unsafe condition	40
Number of sheds in unsafe condition	31
Number of chimneys and stovepipes in unsafe condition	58
Number of cellar doors and porches in unsafe condition	30
Number of wells in unsafe condition	19
Number of yards in filthy condition	20
Number of wharves in unsafe condition	2
Number of areas in unsafe condition	25
Number of excavations in unsafe condition	35
Number of trees and flag-poles in unsafe condition	20
Number of bridges in unsafe condition	4
Number of streets in unsafe condition	12
Number of pavements out of repair	87
Number of improper drains	86
Number of houses without privies	84
Number of unlawful privies	62
Number of persons throwing slops and garbage in street, &c.	104
Number obstructing streets and alleys	45
Number of defective rain-spouts	24
Number wasting Potomac water	2
Number of hog-pens contrary to law	45
Number of miscellaneous nuisances	21

Total 2, 872

Number of sick and destitute persons taken to hospitals and asylums by the sanitary company during the year ending September 30, 1870:

Washington Asylum	41
Providence Hospital	9
Columbia Hospital	5
Small-pox Hospital	3
Freedmen's Hospital	13
Government Hospital for the Insane	23
Mount Hope Hospital, Maryland	1
St. Ann's Asylum	4
Number of persons buried on orders given on the mayor of Washington	479
Number of persons buried on orders given on the mayor of Georgetown	14
Number of persons buried on orders given on the levy court	15

Of the above number 66 were still-born infants, of which number 29 were found by the police abandoned.

Number of helpless persons assisted	20
Number of fires attended	19
Number of inquests attended	7
Number of lost children restored	4
Number of friendless persons buried	55
Number of dead animals removed	1, 534

In addition to the above, 500 bushels of unsound oysters, 20 barrels of fish, and a large quantity of other provisions were condemned and removed.

Statistical record of slaughter-houses for the year ending September 30, 1870.

Police precinct.	Number.	Condition.		Number of beefves slaughtered.	Number of calves, sheep, &c., slaughtered.	Number of swine slaughtered.	Total.	Remarks.
		Good.	Bad.					
First	6	6	838	2, 078	1, 369	4, 285	Of the whole number of slaughter-houses 36 are in operation within the corporate limits of Georgetown and Washington, and 64 in the county of Washington.
Second	37	33	2	5, 762	15, 269	11, 753	32, 786	
Third	35	35	.....	5, 358	18, 785	2, 590	26, 733
Fourth	4	4	.....	50	.....	1, 700	1, 750
Fifth .....	.....	.....	.....	.....	.....	.....	.....
Sixth .....	.....	.....	.....	.....	.....	.....	.....
Seventh	6	6	.....	362	670	3, 432	4, 464
Eighth	12	12	.....	2, 528	11, 553	991	15, 072
	100	98	2	14, 898	48, 355	21, 837	85, 090	

570 PAPERS ACCOMPANYING REPORT OF SECRETARY OF INTERIOR.

Return of bone and fat-boiling establishments for the year ending September 30, 1870.

Police precinct.	Number.	Bone and fat-boiling establishments.	Condition.		Remarks.
			Good.	Bad.	
First.....	1	1	1	Of the whole number of these establishments, 9 are in the corporate limits of Washington, and 1 in the county.
Second.....	.....	.....	.....	.....
Third.....	.....	.....	.....	.....
Fourth.....	5	5	5	.....
Fifth.....	.....	.....	.....	.....
Sixth.....	4	4	4	.....
Seventh.....	.....	.....	.....	.....
Eighth.....	10	10	10	.....

Return of steam boilers for the year ending September 30, 1870.

Police precinct.	Number.	Condition.		Horse power.	Remarks.
		Good.	Bad.		
First.....	12	12	164	The steam boilers used in the several Departments of the Government throughout the District are not included in this return.
Second.....	2	2	.....	8
Third.....	11	11	.....	172
Fourth.....	9	9	.....	103
Fifth.....	25	25	.....	284
Sixth.....	2	2	.....	8
Seventh.....	17	17	.....	227
Eighth.....	10	10	.....	133
	88	88	1, 119	

Return of steamboats plying to and from the ports of Georgetown and Washington for the year ending September 30, 1870.

Precinct.	Name of steamer.	Name of captain.	Condition.	Tonnage.
1st	City of Washington.....	William Poor.....	Good.....	396
	City of Alexandria.....	Joseph H. Spansey.....	Good.....	326
	Wawassett.....	Captain Fowke.....	Good.....	353
	Arrow.....	Thomas Stackpole.....	Good.....	173
	Vanderbilt.....	F. Hollingshead.....	Good.....	541
	Keyport.....	A. L. Colmary.....	Good.....	490
	Lady of the Lake.....	G. W. Denty.....	Good.....	716
	Express.....	Captain Needham.....	Good.....	556
	Columbia.....	James Harper.....	Good.....	700
	Ariel.....	H. M. Green.....	Good.....	32 23
	National.....	M. E. Gregg.....	Good.....	62
	Prince William.....	Captain Hammill.....	Good.....	80
	Pioneer.....	.....	.....	.....
	Rodgers.....	Captain Green.....	Good.....	8
3d	Eureka.....	Captain Craig.....	Good.....	35
	Prometheus.....	Captain Ritter.....	Good.....	600
	John Gibson.....	Captain Winters.....	Good.....	444
	E. C. Knight.....	Captain Johnson.....	Good.....	421
	Valley City.....	Captain Neff.....	Good.....	319
	New York.....	Captain Jones.....	Good.....	.....
	George H. Stout.....	Captain Ford.....	Good.....	.....
	Cathcart.....	Captain Cathcart.....	Good.....	.....
	Virginia.....	Captain Brown.....	Good.....	.....
	Enterprise.....	Captain Duty.....	Good.....	.....
	Alaska.....	Captain Kerby.....	Good.....	.....
	R. H. Castelman.....	Captain Smith.....	Good.....	.....
	Minnesota.....	Captain Ritter.....	Good.....	.....
	Governor Curtin.....	Captain Bell.....	Good.....	.....
	Comet.....	Captain Hoeke.....	Good.....	.....
	Potomac.....	Captain Bell.....	Good.....	.....
	Vyeta.....	Captain Ross.....	Good.....	.....

* Out of port and name of captain and tonnage cannot be ascertained.

REMARKS.—As far as can be ascertained, the steamboats in this return are supplied with all the appliances necessary for the safety of life and property.

REPORT OF THE POSTMASTER GENERAL.

POST OFFICE DEPARTMENT,
Washington, D. C., November 15, 1870.

SIR: The ordinary revenues of this Department for the fiscal year ended June 30, 1870, were \$19,772,220 65, and the expenditures of all kinds, \$23,998,837 63. For the year ended June 30, 1869, the ordinary revenues were \$18,344,510 72, and the expenditures, \$23,698,131 50. The increase of revenue for the year 1870 over the year 1869 was \$1,427,709 93, or 7.78 per cent., and the increase of expenditures, \$300,706 13, or 1.32 per cent., showing a net increase in revenue of \$1,127,003 80. The increase in revenue for the year 1870 over the year 1868 was \$3,479,619 85, or 21.35 per cent., and the increase of expenditures for 1870 over 1868 was \$1,268,244 98, or 5.57 per cent. The increase in revenue for 1870, as compared with 1869, was less than the increase for 1869, as compared with 1868, by \$624,199 99; and the increase in expenditures for 1870, compared with 1869, was less than the increase for 1869, compared with 1868, by \$666,832 72.

If, in addition to the ordinary revenues, the Department be credited with \$700,000, appropriated for free matter and the amounts drawn and expended for subsidies to steamship lines, it will appear that the deficiency provided out of the general treasury for the year 1870 is \$2,814,116 98, as against \$3,970,287 45 for the year 1869.

The accompanying report of the Auditor fully sets forth the details of the financial operations of the Department.

The estimated expenditures for the year ending June 30, 1872, are.....	\$25, 436, 698 00
The revenues estimated at 10 per cent. increase over last year.....	\$20, 767, 315 00
Standing appropriations for free matter.....	700, 000 00
	<hr/> 21, 467, 315 00
Leaving a deficiency of.....	<hr/> 3, 969, 383 00 <hr/>

The foregoing estimates do not include the following special appropriations in the nature of subsidies:

For mail steamship service between San Francisco, Japan, and China.....	\$500, 000 (n)
For like service between the United States and Brazil...	150, 000 (n)
For like service between San Francisco and Sandwich Islands.....	75, 000 (n)
Total.....	<u>725, 000 (n)</u>

Of the deficiency appropriated for the year 1869, there was unexpended at the close of that year the sum of..	\$1, 500, 000 (n)
Deficiency appropriated for the year 1870.....	<u>5, 740, 000 (n)</u>

A total of.....	7, 240, 000 (n)
Of this sum there was drawn during the last fiscal year, and used to make the revenue equal the expendi- tures.....	2, 500, 000 00
Leaving in the treasury unexpended the sum of.....	4, 740, 000 00
Against which there are chargeable sun- dry unliquidated accounts, estimated as follows:	

For balances to foreign countries.....	\$317, 500 00
For mail service under contract and not yet reported.....	354, 286 00
For mail service unrecognized.....	146, 620 00
Due money order service, being excess of transfers to postage account.....	242, 843 00
Excess of expenditures over gross receipts during year just closed.....	<u>204, 476 13</u>
	1, 265, 725 13

Leaving, after settlement of all liabilities to June 30, 1870, a net balance of.....	<u>3, 474, 274 87</u>
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The number of adhesive postage stamps issued during the year was 468,118,445, representing.....	\$13, 976, 768 00
Stamped envelopes, plain, 45,027,250, representing...	1, 297, 159 00
Stamped envelopes, request, 36,326,000, representing..	1, 084, 250 00
Newspaper wrappers, 4,936,250, representing.....	<u>98, 605 00</u>

The whole number of stamps, envelopes, and news- paper wrappers was 554,407,945, of the aggregate value of.....	<u>16, 456, 782 00</u>
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The increase and decrease in the issue of stamps, stamped envelopes, and wrappers are best exhibited by the following table:

Description.	Fiscal year ended June 30, 1869.	Fiscal year ended June 30, 1870.	Increase— amount.	Increase— per cent.
Adhesive postage stamps	\$12,706,220 00	\$13,976,768 00	\$1,270,548 00	10.00
Plain stamped envelopes	1,332,862 50	1,297,159 00	*35,703 50	*2.67
Request stamped envelopes	950,726 00	1,084,250 00	133,524 00	14.04
Plain newspaper wrappers	71,705 00	98,365 00	26,660 00	37.18
Request newspaper wrappers	200 00	240 00	40 00	20.00
	15,061,713 50	16,456,782 00	1,395,068 50	†9.26
* Decrease.		† Net increase.		

The number of packages of postage stamps lost in the mails during the year was 15, representing \$740; and of stamped envelopes 6, representing \$178 30, being much less than the losses from similar delinquencies in 1869.

CONTRACTS.

There were in the service of the Department on the 30th June, 1870, 7,295 contractors for the transportation of the mails.

Of mail routes in operation there were 8,861, aggregating in length 231,232 miles; in annual transportation, 97,024,996 miles, and in annual cost, \$10,884,653. Adding the compensation of railway post office clerks, route agents, local agents, mail messengers, mail route messengers, and baggage masters in charge of registered packages, amounting to \$1,470,890, the aggregate annual cost was \$12,355,543. The service was divided as follows:

Railroad routes: Length, 43,727 miles; annual transportation, 47,551,970 miles; annual cost, \$5,128,901—about 10.78 cents per mile.

Steamboat routes: Length, 20,695 miles; annual transportation, 4,122,385 miles; annual cost, \$706,154—about 17.12 cents per mile.

Other routes, on which the mails are required to be conveyed with "celerity, certainty, and security:" Length, 166,810 miles; annual transportation, 45,350,641 miles; annual cost, \$5,049,598—about 11.13 cents per mile.

There was an increase over the preceding year in length of routes of 7,501 miles; in annual transportation, 6,301,593 miles, and in cost, \$478,152. Adding the increased cost for railway post office clerks, route, local, and other agents, \$195,663, the total increase in cost was \$673,815.

The foregoing statements of distances and costs do not include service for "special" offices. There were at the close of the year 2,169 of these, each with a mail carrier, whose pay from the Department is not allowed to exceed the net postal yield of the office. "Special" routes

and their carriers are included, however, in the number of contractors and routes as given above.

READJUSTMENT OF PAY ON RAILROAD ROUTES.

By circulars issued in February last, the proprietors of railroad routes in the States of Kentucky, Tennessee, Missouri, Iowa, Illinois, Indiana, Michigan, Wisconsin, Minnesota, Kansas, Nebraska, Nevada, and California, and in the Territories, were requested to make returns showing the amount and character of the mail service performed on their roads, with a view to the readjustment of their pay for the contract term commencing on the 1st July, 1870. The substance of the answers to these circulars is embodied in table E of the report of the Second Assistant Postmaster General, hereto appended, "showing the weight of mails, the speed with which they are conveyed, the accommodations for mails and agents, the trips per week, and the rates of pay per mile per annum on railroad routes in States and Territories (chiefly) in which the contract term expired June 30, 1870." The table embraces also returns from a number of routes in other States made since the publication of the last annual report, in cases in which the proprietors of the roads have claimed to be entitled, under the law, to increased compensation. The readjustment based upon these returns is shown in table F of the report of the Second Assistant, also herewith appended, containing a list of 98 routes, of which the rates of compensation have been increased on 70, and decreased on the remaining 28. The net result is an excess of the present over the former amount of annual pay of \$213,688 97. This very considerable increase of expense is attributable mainly to the increase in the size and importance of the mails in the large section of which the new contract term commenced with the current fiscal year, requiring enlarged space and improved accommodations for their conveyance and proper distribution.

The tables E and F are each accompanied, as usual, by an index of the titles of the roads, arranged in alphabetical order.

The attention of Congress is again called to the necessity of a revision and readjustment of the rates of compensation established by law for the transportation of mails on railroad routes. The managers of railroad roads insist that the pay awarded them under the operation of the act of 3d March, 1845, is inadequate to the service required, and many of them have refused, and still refuse, to enter into contracts with the Department, alleging that they will not bind themselves by a permanent arrangement at the present prices. The consequence is that on many of the most important roads the mails are carried as suits the convenience of the companies, and with but little regard to the public interest. Many complaints of inefficient service, and, in some instances, of gross neglect on the part of railroad companies, have been made during the past year by some of the leading newspapers of the country; but, notwithstanding the most active and persistent efforts to remedy the evil

complained of, very little, if any, improvement has as yet been effected, the Department having no legal control over the time or manner of running trains, except in cases where contracts have been regularly executed. After a careful consideration of the subject, I am satisfied that the compensation fixed by law is not a fair return for the important services rendered by railroad companies, and hence I repeat my recommendation that a readjustment of their pay be made by law, and that, at the same time, they be required to enter into contract with the Department as a condition precedent to drawing any increase of compensation.

POST-ROUTE MAPS.

The preparation and publication of the series of post-route maps of the United States have been continued, during the past year, under the supervision of the topographer of the Department. The map, in one sheet, of the mail service in the State of Maine, and of the connections with the adjacent States and the Dominion of Canada, and also the map, in two sheets, of the States of Ohio and Indiana, have been completed, and copies are now being furnished to postmasters and other agents of the Department. The double-sheet map of the States of Michigan and Wisconsin is in the hands of the engraver, and is well advanced toward completion. Drawings are being made for a map of the States of Illinois, Iowa, and Missouri, and the preparations for its publication will be pushed forward as fast as the peculiar nature of the work will allow. Efforts will also be made to secure at least a provisional map of the Southern States, until some more definite and correct system of survey shall make a more accurate one possible. The other maps, already completed, embracing nearly all of the tier of Northern States, are, as usual, issued to all points where the demands of the service require their use, and testimonials to their value continue to be received.

FINES AND DEDUCTIONS.

The amount of fines imposed on contractors and deductions made from their pay on account of failures and other delinquencies during the last year was \$100,375 32, and the amount remitted for the same period, \$28,753 25, leaving the net amount \$71,622 07. This shows an increase in the net amount of fines and deductions over the year 1869 of \$21,379 25, and a decrease in the amount of remissions of \$15,197 74. The increase in the fines and deductions is not attributable to increased delinquencies, but to the fact that since the 1st April, 1869, the provision in mail contracts for a forfeiture of the pay of a trip when the trip is not made has been enforced, in conformity with the act of July 2, 1836. Since the adoption of this rule contractors have evinced a much greater amount of energy in their efforts to carry the mails through to the points of destination.

MAIL BAGS, LOCKS, AND KEYS.

Appended to this report is a table showing in detail the number, description, and cost of mail bags, locks, and keys purchased and issued during the year. The total number of new mail bags purchased and put into service was 63,960. Of these, 54,000 were for the transmission of printed matter and 9,960 for letter mails. Their aggregate cost was \$106,197 50. During the preceding year the total number of mail bags purchased and issued was 55,400, of which 47,000 were for printed matter and 8,400 for letter mails; and their aggregate cost was \$89,420.

THROUGH MAILS—NEW YORK AND SAN FRANCISCO—NEW YORK AND NEW ORLEANS.

The through-mail tables herewith submitted make a favorable exhibit as to the average speed and regularity with which the mails have been conveyed over the line—3,307 miles long—between New York and San Francisco, during the year ending with the month of September 1870. They show that of 718 mails carried through, for the whole period, to San Francisco from New York, 573 were conveyed within the schedule time, and only 145 behind time; and that of 352 mails carried through to New York from San Francisco, 280 were conveyed within the schedule time, 72 behind time, and only 34 of these a day or more behind time. The average time, going west, was 175 hours 52 minutes, or 7 days 7 hours and 52 minutes; going east, 172 hours 44 minutes, or 7 days 4 hours and 44 minutes. The shortest time, going west, was 144 hours 40 minutes; going east, 159 hours 10 minutes. The records from which these tables are compiled show that, generally, three mails a day are dispatched from New York for San Francisco—one in the morning and two in the afternoon; the average schedule time of the afternoon mails being nearly 7 days, and of the morning mail nearly 7½ days, a single train a day being run west of the Missouri River, the departure of which is arranged to connect with the train making the latest afternoon departure from New York. From San Francisco but a single mail a day is dispatched for New York, of which the average schedule time, allowing for the intermission of Sunday service east of the Missouri River, is about 7 days 3½ hours—only 1 hour and 14 minutes less than the average time actually attained.

Between New York and New Orleans, the double daily service established in March 1869, and mentioned in the last annual report, has been continued during the year ending with the month of September last. One of the mails being transmitted over the *Southwestern* route, via Washington, District of Columbia; Lynchburg, Virginia; and Knoxville, Tennessee; and the other over the *Western* route, via Cincinnati, Ohio; Louisville, Kentucky; and Humboldt, Tennessee. The tables show that of 363 mails carried through, for the whole period, to New Orleans from New York, by the *Southwestern* route, 214 were conveyed

in schedule time, and 149 behind time, the average time being 92 hours 40 minutes—an excess of about 6 hours 30 minutes over the average schedule time; and that the shortest time going south was 84 hours 54 minutes. Of 363 mails carried through, by the same route, to New York from New Orleans, 221 were conveyed in schedule time, and 142 behind time, the average time being 96 hours 30 minutes—an excess of about 10 hours 30 minutes over the average schedule time; and the shortest time going north was 85 hours 30 minutes. On the *Western* route, of 356 mails carried through, for the whole period, to New Orleans from New York, 121 were conveyed in schedule time, and 235 behind time, the average time being 89 hours 40 minutes—an excess of about 8 hours 40 minutes over the average schedule time; and the shortest time going south was 75 hours 45 minutes. On the same route, of 308 mails carried through, for the whole period, to New York from New Orleans, 126 were conveyed in schedule time, and 182 behind time, the average time being 88 hours 16 minutes—an excess of about 10 hours 45 minutes over the average schedule time; and the shortest time going north was 77 hours. Compared with the showing for the period from March to September 1869, inclusive, in the last annual report, the present returns make the average time by the *Southwestern* route to be greater than it was then by 3 hours 11 minutes, going south, and 5 hours 31 minutes, going north; and by the *Western* route, less than it was then by 3 hours 33 minutes, going south, and 1 hour 58 minutes, going north. The former is still entitled to the credit, however, of carrying through the greater proportion of mails within its schedule time; and when in time, its mails going south reach their destination simultaneously with those which are a train behind time (nearly two-thirds of the whole number) on the *Western* route, with the advantage of a departure several hours later from New York.

MAIL DEPREDATIONS.

During the past year 3,071 cases of loss by mail depredations, of which 1,574 were of registered letters, were reported to the Department, involving losses in bonds, drafts, and money to the amount of \$1,393,768 21, a considerable portion of which has been recovered. The number of arrests for violations of the postal laws was 143, and the number of convictions of those who were brought to trial 54, the remainder being released on bail, acquitted, or held for trial. The Department is constantly availing itself of all the means within its reach to give perfect security to the mails, and to bring to justice any of its employes who yield to the temptation to violate the trust reposed in them.

RAILWAY POST OFFICES.

A statement hereto appended shows that the number of railway post office lines in operation on the 30th June last was 41, extending in the aggregate over 8,252 miles of railroad and steamboat service—an in-

crease of 4 lines and 1,051 miles over the preceding year. The number of clerks employed was 375, at an annual cost of \$442,600. The number of clerks employed during the previous year was 324, and the amount expended in compensation was \$384,300. Upon 1,571 miles this service is performed twice daily, making a total equal to 9,823 miles each way daily. This gives, counting both ways, an aggregate service of 19,646 miles daily, and 6,296,078 miles annually. This is exclusive of the Union Pacific Railroad line from Omaha to Ogden, although, prior to the close of the last fiscal year, arrangements were made with the authorities of that line for the introduction of the system, in pursuance of which it was practically put in force, to some extent, during the year. The arrangements have been consummated recently, and the line is now in full operation. It is 1,032 miles in length, and service is performed seven times each way weekly, making 2,064 miles daily, and 753,360 miles annually. The number of clerks employed on the line is 30, at the annual compensation paid to clerks on the principal lines. In addition to this, arrangements for this improved service have been made with several leading trunk lines, embracing in the aggregate 2,949 miles, upon some of which the service is now being introduced. The railway post office system sprang from a necessity. It was established to insure the transmission of the mails with the greatest possible rapidity, by assorting and distributing them while in motion, thus avoiding delay in local distributing post offices. The system has been found, in practice, to accomplish all that has been claimed for it, and its usefulness has been clearly demonstrated by the test of experience.

FOREIGN MAILS.

The total number of letters exchanged with foreign countries during the year was 18,359,378, an increase of 2,859,378, or 18.44 per cent., over the number reported for the year 1869. Of this number 9,754,152 were sent from, and 8,605,226 were received in, the United States.

The total postages on the letter mails exchanged with foreign countries amounted to \$1,964,564 48, being \$50,618 67 less than the amount reported for the previous year. This decrease was caused by the reduced rates of international letter postage established by recent postal conventions with Great Britain and countries on the continent of Europe, which came into operation on the 1st of January, 1870.

The aggregate amount of postage, inland, sea, and foreign, upon the letter correspondence exchanged with Great Britain, the North German Union, France, Belgium, the Netherlands, Switzerland, and Italy, was \$1,445,942 60, being \$57,830 45 less than the amount reported for 1869. The number of letters (single rates) exchanged in the mails with the same countries was 13,201,446, an increase of 1,772,895 over the number reported for 1869. Although during one-half of the fiscal year commencing January 1, 1870, reduced rates of international letter postage were collected on the correspondence exchanged with Europe, equal

to 50 per cent. on letters exchanged with Great Britain, and 33½ per cent. on letters exchanged with countries on the continent of Europe, yet the increased correspondence yielded a postal revenue within 4 per cent. of the previous fiscal year.

The postages upon letters *sent* exceeded the postage on letters *received* from European countries, in the sum of \$33,897 32, the excess on letters sent being only 2½ per cent. of the entire postage receipts. The collections of postage in the United States amounted to \$927,124 56, and in Europe to \$518,818 04, an excess of \$408,306 52, equal to 64 per cent. of the entire amount having been collected in this country, causing balances against this Department, on settlements of postage accounts with foreign post departments, amounting to over \$200,000. It is confidently expected that the recent reductions of postage rates, with discriminations favoring prepayment, will induce a more general practice of prepaying postage abroad, thus equalizing international postage accounts, and relieving this Department of the heavy expenses paid in this and former years for premium and exchange in transmitting postal balances in the money of the creditor country.

The amount paid for the transportation of the mails to Great Britain, and countries on the continent of Europe, was \$322,291 87, the steamships employed receiving the sea postage on the mails conveyed as full compensation for the service.

The postage earnings of the respective steamship lines were as follows, viz.:

The North German Lloyd of Bremen, for 87 trips, from New York to Southampton and Bremen.....	\$114,299 34
The Hamburg-American Packet Company, for 62 trips, from New York to Plymouth and Hamburg.....	95,475 42
The Inman line, for 31 trips, from New York to Queens-town.....	48,941 63
The Cunard line, for 32 trips, from New York to Queens-town.....	39,952 66
The Liverpool and Great Western line, for 26 trips, from New York to Queenstown.....	17,113 59
The Canadian line, for 52 trips, to Liverpool.....	6,387 13
Ruger & Brothers, for 3 trips, from New York to Havre..	122 10
Making a total of.....	<u>322,291 87</u>

The cost of the transatlantic mail steamship service during the three preceding fiscal years was as follows:

For fiscal year ended June 30, 1867.....	\$551,338 01
For fiscal year ended June 30, 1868.....	421,774 44
For fiscal year ended June 30, 1869.....	336,207 49

From July 1 to December 31, 1869, the transatlantic mail service was

performed by steamships of the Hamburg, Cunard, Bremen, and Inman lines, sailing from New York on Tuesdays, Wednesdays, Thursdays, and Saturdays of each week. The agents of each of these lines having declined to transport the mails for the reduced rates of sea-postage established by the additional postal convention with the United Kingdom, which went into operation on the 1st January, 1870, the service was for a short time interrupted; but new arrangements were speedily concluded, on the basis of the reduced rates of compensation, for a regular semi-weekly conveyance of mails to Europe by the steamships of the Liverpool and Great Western Company, (Williams and Guion, agents,) on Wednesdays, and by the steamships of the North German Lloyd of Bremen on Saturdays, which were soon followed by an arrangement with the Hamburg-American Packet Company, for an additional weekly service on Tuesdays, on the same terms, thus securing a tri-weekly dispatch of mails by steamers of average good speed. Formal contracts were executed with each of these companies for the conveyance of the mails during the term of two years, commencing January 1, 1870, and ending December 31, 1871, copies of which are annexed.

In the month of July last the steamships of the North German Lloyd and Hamburg lines were withdrawn from service on their respective routes, and a temporary arrangement was made with the agents of the Inman line to convey the mails from New York on Saturday of each week, supplying omitted trips of the North German Lloyd line; and after a period of nearly three months had elapsed, with no prospect of an early resumption of service by the steamships of the North German Lloyd of Bremen, I was constrained to annul the contract with that company for repeated failures, and to make a permanent contract with the Liverpool, New York and Philadelphia Steamship Company, (Inman line,) to transport the mails from New York, on Saturdays, for a term of two years, commencing October 1, 1870, and ending September 30, 1872, a copy of which is also annexed.

At present, three weekly mails are dispatched from New York to Great Britain, by steamships of the Liverpool and Great Western, Cunard, and Inman lines, sailing on Wednesdays, Thursdays, and Saturdays, with an occasional extra mail by steamship of the Cunard line, sailing on other days of the week. When the German steamships of the North German Lloyd and Hamburg lines resume their regular trips, and the new steamers, of increased size and great speed, which have been tendered by the Oceanic Steam Navigation Company, of Liverpool, for the conveyance of the mails from New York on Mondays, are placed on the route between that port and Liverpool, there will be at least six first-class weekly lines of transatlantic steamships leaving New York for European ports, sufficient to establish a regular dispatch of mails to Europe on each week day, provided the sailing days of the respective lines can be so adjusted as to secure that desirable object.

The United States postages on the mails conveyed to and from the

West Indies, Mexico, Panama, South Pacific, and Belize, (Honduras,) amounted to \$120,951 88, and the amount paid for the sea conveyance thereof was \$72,450 84.

The total cost of the United States ocean mail steamship service for the year 1870 (including \$712,500 paid from special appropriations for steamship service to Japan and China to Brazil, and to the Hawaiian Islands) was \$1,107,376 69.

The contractors for the mail steamship service from New York to Rio de Janeiro, (Brazil,) and from San Francisco to Japan and China, have performed in a satisfactory manner the full service required by their respective contracts of 12 round trips per annum; but 10 round trips only have been made by the steamships of the California, Oregon and Mexico Steamship Company, contractors for the monthly steamship service between San Francisco and Honolulu, (Hawaiian Islands.)

I respectfully renew the recommendation made in my last report for an increase of mail service from monthly to semi-monthly trips on the mail steamship route from San Francisco to Japan and China. Impressed with the great national importance of maintaining this line of American steamships, and the necessity of providing increased facilities of communication with those countries in order to retain and extend the commercial advantages already gained by its establishment, I felt it my duty to address a special communication on the subject to the chairman of the Senate Committee on Post Offices and Post Roads, under date of 21st April, 1870, (Senate Mis. Doc. No. 125, 41st Congress, 2d session,) in which statements were presented, obtained from official sources, showing the growth of our trade with Japan and China since this line was established, the amounts of correspondence transported, and the financial results of the enterprise. I beg to refer to that communication for the special considerations which render it expedient, in my judgment, to sustain this important national enterprise, and to express the hope that Congress will promptly pass the bill reported by the Senate Committee on Post Offices and Post Roads at the last session, authorizing an increase of the service to semi-monthly trips, under the same terms and conditions as the present monthly service.

The recommendations made in my report of last year relative to the necessity of some legislation to encourage the reestablishment of American lines of transatlantic steamships for the transportation of our mails to Europe, are respectfully renewed.

During the year twelve postal conventions have been concluded with foreign countries, securing important reductions of postage, and otherwise improving our facilities for international postal intercourse. The most important of these conventions, as regards reductions of postage, is the additional convention with the United Kingdom of Great Britain and Ireland, of December 3-14, 1869, which reduced the international rate of letter postage between the United States and the United Kingdom from 12 to 6 cents, on and after January 1, 1870; 2 cents being

designated as sea postage, and 2 cents as the inland postage of each country. The charge for the sea conveyance across the Atlantic of letters sent *in closed mails* through the United Kingdom was also reduced from 20 to 6 cents per ounce, or per 30 grams, net weight, which enabled this Department to establish reduced rates of international letter postage on the correspondence exchanged by closed mails through England with countries on the continent of Europe. Additional postal conventions were accordingly concluded with the Netherlands, Italy, Belgium, Switzerland, and the North German Union, respectively, reducing the letter postage to each of these countries by closed mails, *via England*, from 15 to 10 cents per single rate, copies of which are hereto annexed.

The convention with the North German Union also reduced the single rate of postage on prepaid letters exchanged by *direct* steamers to and from Bremen and Hamburg, from 10 to 7 cents, and simplified the mode of accounting between the two post departments.

Postal conventions have been also concluded with the Empire of Brazil, the Hawaiian Kingdom, the Provinces of Vancouver's Island and British Columbia, the Republic of San Salvador, and the Colonial Government of New Zealand, establishing and regulating a direct exchange of correspondence with each of these countries and provinces at moderate rates of international postage charges, copies of which are also appended.

The reductions made by recent postal conventions, in the rates of postage to foreign countries, are shown by the following statement of the rates of letter postage to the principal countries of the world, as charged December 31, 1867, April 1, 1869, and November 1, 1870, respectively.

Countries.	Postage chargeable for letters not exceeding ½ ounce.			Reduction per ½ oz. since Dec. 31, 1867.
	Dec. 31, 1867.	April 1, 1869.	Nov. 1, 1870.	
	Cents.	Cents.	Cents.	Cents.
Argentine Republic.....	25	25	18	7
Australia, via Southampton.....	33	22	16	17
Austria, German mail direct.....	15	10	7	8
Austria, German mail via England.....	28	15	10	14
Belgium.....	27	15	10	17
Bolivia, via Panama.....	34	34	22	12
Brazil.....	20	20	15	5
British Columbia.....	10	10	6	4
Buenos Ayres.....	25	25	18	7
Canada.....	10	6	6	4
Chili, via Panama.....	34	34	22	12
China, via Southampton.....	45	34	28	17
China, German mail direct.....	55	27	24	31

Countries.	Postage chargeable for letters not exceeding 4 ounce.			Reduction per 4 oz. since Dec. 31, 1867.
	Dec. 31, 1867.	April 1, 1869.	Nov. 1, 1870.	
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
China, German mail via England.....		82	27	5
Denmark, German mail direct.....	18	13	10	8
Denmark, German mail via England.....	31	18	13	18
East Indies, via Southampton.....	33	28	22	11
East Indies, German mail direct.....	55	27	24	31
East Indies, German mail via England.....	59	32	27	32
Ecuador, via Panama.....	34	34	22	12
Egypt, via Southampton.....	33	22	16	17
Egypt, (except Alexandria,) German mail direct.....	30	20	17	13
Egypt, (except Alexandria,) German mail via England.....	35	25	20	15
Egypt, Alexandria, German mail direct.....	30	15	12	18
Egypt, Alexandria, German mail via England.....	35	20	15	20
German States, German mail direct.....	15	10	7	8
German States, German mail via England.....	28	15	10	18
Greece, German mail direct.....	35	18	15	20
Greece, German mail via England.....	38	23	18	20
Holland.....	27	15	10	17
Italy.....	40	15	10	30
Japan, via Southampton.....	45	34	28	17
Japan, German mail direct.....		27	24	3
Japan, German mail via England.....	59	32	27	32
Java, via Southampton.....	45	34	28	17
New Zealand, via Southampton.....	33	22	16	17
Norway, German mail direct.....	25	16	12	13
Norway, German mail via England.....	38	21	15	23
Paraguay.....	25	25	18	7
Peru, via Panama.....	34	34	22	12
Portugal, via England.....	45	34	28	17
Roman or Papal States, German mail direct.....	24	14	11	13
Roman or Papal States, German mail via England.....	44	19	14	30
Russia, German mail direct.....	20	15	12	8
Russia, German mail via England.....	35	20	15	20
Sandwich Islands.....	10	10	6	4
Spain, via England.....	45	34	28	17
Sweden, German mail direct.....	21	16	11	10
Sweden, German mail via England.....	34	21	14	20
Switzerland.....	42	15	10	32
Turkey, German mail direct.....	32	15	12	20
Turkey, German mail via England.....	35	20	15	20
United Kingdom, (England, Ireland, Scotland, Wales).....	24	12	6	16
Uruguay.....	25	25	1	7
Vancouver's Island.....	10	10	86	4

Since the 1st of January, 1870, all direct postal intercourse with France has been suspended, in consequence of the abrogation of the postal convention with that country, and no progress has since been made in the negotiations for a new convention. It is hoped, however,

that a satisfactory arrangement may be agreed upon with the government of France, when peace shall be reëstablished within her borders.

APPOINTMENTS.

The report of the Appointment Office shows the following :

Number of post offices established during the year.....	2, 359
Number discontinued.....	962
Increase.....	1, 397
Number in operation on June 30, 1869.....	27, 095
Number in operation on June 30, 1870.....	28, 492
Number to be filled by appointments of the President	1, 093
Number to be filled by appointments of the Postmaster General.	27, 399

Appointments were made during the year :

On resignations.....	4, 105
On removals	1, 449
On changes of names and sites.....	204
On deaths of postmasters.....	293
On establishment of new post offices.....	2, 359

Total appointments.....	8, 410
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Number of cases acted on during the year.....	9, 553
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The number and aggregate compensation of special agents, route agents, mail route messengers, railway post office clerks, and local agents in service during the year ended June 30, 1870, were :

51 special agents.....	\$114, 790 19
587 route agents.....	574, 600 00
78 mail route messengers.....	45, 710 00
375 railway post office clerks.....	442, 600 00
66 local agents.....	46, 230 00

	1, 223, 930 19
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FREE DELIVERY.

The free delivery system has been in operation during the year in fifty-one of the principal cities, with the following aggregate results :

Number of letter carriers.....	1, 362
Mail letters delivered.....	97, 811, 831
Local letters delivered.....	21, 797, 649
Newspapers delivered.....	27, 867, 023
Letters collected.....	97, 791, 046
Amount paid carriers, including incidental expenses ...	\$1, 230, 079 85
Postage on local matter	\$681, 864 70

This shows the following increase as compared with last year:

Letter carriers.....	116
Mail letters delivered.....	17, 740, 778
Local letters delivered.....	3, 417, 022
Newspapers delivered.....	5, 912, 125
Letters collected.....	7, 906, 037
Amount paid carriers, including incidental expenses....	\$46, 164 54
Postage on local matter.....	\$15, 697 28

READJUSTMENT OF POSTMASTERS' SALARIES.

The second section of the act of July 1, 1864, directs the Postmaster General to review and readjust the salaries of all postmasters once in two years, and in special cases as much oftener as may be deemed expedient. In accordance therewith, the salaries of 28,492 postmasters have been reviewed and readjusted for two years from July 1, 1870. The salaries, as thus readjusted, make a yearly aggregate of \$4,981,758. The establishment of new offices and the readjustment in special cases will increase this amount somewhat, but, it is believed, not so much as to exceed the appropriation of \$5,000,000 for the current year ending June 30, 1871.

DEAD LETTERS.

The number of letters, domestic and foreign, received at the dead-letter office during the last fiscal was as follows:

Domestic letters classed as—

Ordinary	2, 882, 868
Drop	475, 300
Unmailable.....	384, 190
Hotel	27, 410
Fictitious	86, 663
Registered	6, 153
Returned from foreign countries.....	69, 461

Total domestic letters.....	3, 932, 045
Foreign letters.....	220, 415
Whole number	4, 152, 460

Of domestic letters unregistered, 19,733 contained money amounting to \$72,540 00, in sums of \$1 and upward; and of the registered letters, 2,588 contained \$20,327 73—making a total of 22,321 letters, containing \$92,867 82. Of these, 18,250, containing \$77,116 22, were delivered to the writers or persons addressed; 2,468, containing \$9,619 71, were filed for reclamation; and 1,603, containing \$6,131 89, were outstanding. The number inclosing sums less than \$1 was 22,944, containing \$5,793 60; of which 20,356, containing \$5,058 72, were delivered to the writers, and 2,638, containing \$734 88, were filed for reclamation.

The number of letters containing bank checks, drafts, deeds, &c., was 17,860, of the nominal value of \$3,075,544 90; of which 16,868, of the nominal value of \$2,963,400 02, were delivered to the owners, and 992, of the nominal value of \$112,144 88, were outstanding or filed for reclamation.

The number of packages and letters containing jewelry, books, and other property was 6,921; of which 4,740 were delivered, and 2,181 were filed for reclamation. The number containing photographs was 38,009; of which 32,978 were delivered, and 5,031 were filed. The number containing receipts, bills of lading, &c., was 27,454; of which 24,200 were delivered, and 3,254 were filed. The number containing postage and revenue stamps and articles of small value was 45,457.

The number of letters without inclosures remailed to the writers was 1,842,325; of which 1,487,021 were delivered, and 355,304 were returned to the office and destroyed. The number in which the writer's name and local address were omitted or were illegible, and of letters found to contain circulars, &c., and consequently destroyed, was 1,908,704.

Of the unmailable letters, 312,684 were detained for postage, not being prepaid, as required by law. They were either wholly unpaid, were not prepaid one full rate, or were stamped with illegal or revenue stamps; 68,123 were misdirected, the post office, State, or some necessary part of the address being omitted; 3,016 had no address whatever; and 367 were addressed to places where there was no mail service.

The number of applications for dead letters was 7,174, and in 2,223 cases the letters were found and forwarded to their owners.

The amounts deposited in the treasury were—

For unclaimed dead-letter money	\$6, 270
For proceeds of sales of waste-paper	2, 247
Total	<u>8, 517</u>

POSTAL MONEY-ORDER SYSTEM.

The number of money-order offices in operation during the last fiscal year was 1,694, of which 9 were established May 2, 1870. On the 1st of August, 1870, 386 additional offices were created, and 4 offices were discontinued, so that the whole number now in operation is 2,076. Most of these new offices were established in the Western States, where the constant increase of population and material resources produces a corresponding demand for the facilities afforded by the money-order system for the safe and expeditious transfer through the mails of small sums of money.

At the four offices that were abolished the amount of business transacted had become so small as to render their continuance unnecessary.

The number of domestic money orders issued during the year was 1,671,253, of which the aggregate value

was..... \$34, 054, 184 71

The number paid was 1,675,228, amount-	
ing in value to.....	\$33, 658, 740 27
To which is to be added the amount of	
orders repaid to the remitters.....	260, 184 52
Total of payments.....	\$33, 927, 924 79
Excess of issues over payments.....	126, 259 92

The amount of fees or commissions received by postmasters from the public for the issue of orders was \$235,235 80. During the year 1869, the aggregate amount of orders issued was \$24,848,058 93; of orders paid and repaid, \$24,654,123 46; and of fees received, \$176,190 90.

A comparison of these items with the corresponding transactions of the last year shows an increase during the year 1870 of \$9,206,125 78, or 36.6 per cent., in the amount of issues; of \$9,273,801 33, or 37.6 per cent., in the amount of payments; and of \$50,044 90, or 33.5 per cent., in the amount of fees.

The average amount of the money orders issued during the last year was \$20 37, being 72 cents more than the average of the preceding year.

The number of duplicate orders drawn was 7,175; of which 7,058 were issued to replace originals lost or delayed in the mails, or otherwise; 97 were in lieu of orders rendered invalid because not presented for payment until more than one year after date; and 20 were substituted for orders made invalid in consequence of having, contrary to law, more than one indorsement.

There were 1,645, or almost 30 per cent., more duplicates issued last year than during the previous year—an increase nearly proportionate to that of the entire money-order business.

The receipts and expenditures of the last year, as adjusted and reported by the Auditor, were as follows, viz:

Fees received for money orders issued.....	\$235, 235 80
Amount received for premium on drafts.....	321 25
Total	235, 557 05
Commissions to postmasters and allowances	
for clerk-hire	\$138, 138 24
Allowances for remittances lost in transmission by mail.....	5, 166 34
Incidental expenses for stationery and fixtures.. ..	2, 077 84
	145, 382 42
Excess of receipts over expenditures, being the amount of revenue derived from the transaction of the money-order business.....	90, 174 63

The magnitude of the operations of the money-order system is well illustrated by the statement that, at the city of New York alone, the orders issued during the last year amounted to \$650,258 39; the orders paid, to \$3,871,516 11; the remittances received from postmasters, to \$5,987,888; and the drafts of postmasters paid, to \$3,430,581.

In consequence of the well-known tendency to remit money from the smaller to the larger towns and cities, the small offices generally issue more money orders than they pay, and the larger offices pay more than they issue. To enable the latter to pay all orders on presentation, postmasters at the smaller offices are required to transmit, without delay, all surplus funds that accrue from the sale of orders to certain larger offices designated as their depositories. The amount of such funds remitted to and deposited in the larger offices during the last year was \$23,246,027 70. These remittances are made in registered packages by mail, when the postmaster is unable to obtain national bank drafts, which is generally the case at small post offices. During the year, 28 remittances, to the aggregate amount of \$8,168 50, sent in registered packages, have been reported as lost in transmission. Of this amount, the sum of \$2,511 50 was allowed before the close of the year, to the credit of the several postmasters who had remitted the same, after a thorough investigation had been made of each case by a special agent of the Department, and satisfactory proof obtained that the lost remittance for which credit was claimed had been duly counted, noted, securely put up, properly registered and dispatched in a locked pouch, in presence of a disinterested witness. The sum of \$825 was allowed after the termination of the last year and will be included in the expenditures of the current year. Claims for credit to the amount of \$689 were disallowed, and the remaining sum of \$4,143 represents claims that are yet pending. The total amount allowed to postmasters during the year, for remittances lost in the mails, was \$5,166 34, of which the sum of \$2,654 84 was on account of losses during the preceding year.

The loss of these registered packages containing remittances of surplus money-order funds causes no detriment whatever, either to the remitters or to the payees of money orders. It is the Department, and not the public, that suffers the loss resulting from the failure of such remittances to reach their destination. It will be observed that losses of this nature form a considerable item in the annual expenses of the money-order system, although the total of such losses, \$8,168 50, is very small in comparison with the whole amount of money remitted for deposit during the year, viz: \$23,246,027 70.

Postmasters at certain money-order offices where the payments are largely in excess of the amount received from orders issued, and from deposits from other offices, are allowed a credit to a designated amount with the postmaster at New York, which is drawn by installments according to the requirements of their money-order business. The amount of

the drafts drawn against such credits during the last year was, as stated above, \$3,430,581.

Out of 1,675,228 domestic money orders paid during the year, it was claimed that payment of 19, of the aggregate amount of \$537 64, was fraudulently procured through forgery of the payee's signature, or by false pretenses. After a full investigation, the paying postmasters, in six of these cases, having been found at fault, were directed to pay to the proper owners, respectively, the amounts of the several orders, the total of which was \$204. In seven cases, amounting to \$178 50, the paying postmasters were not considered as justly responsible for the improper payment, and the Department paid that amount to the true payees. The remaining six cases, amounting to \$159 14, are held for examination and report by special agents.

The sum of \$1,320,260 57 was transferred by postmasters from the postage to the money-order account, to enable them to meet orders presented for payment at times when their money-order funds were exhausted. The transfers, on the other hand, from the money-order to the postal account amounted to \$1,327,163 47, showing at the close of the year a balance against the latter account of \$6,902 90.

In my last annual report additional legislation was recommended to authorize the extension of the money-order system to the stations or sub-post offices in the large cities. A bill containing a provision to that effect was introduced into the House of Representatives during the last session, but was not acted upon. The reasons which induced me to make that recommendation have already been stated, and it is not necessary to repeat them here. The establishment of the money-order business at post office stations would, undoubtedly, prove a substantial advantage as well as a great convenience to residents of large cities and their correspondents. I therefore renew the suggestion that the law relating to the money-order system be so far modified as to permit the postmaster of any city which the Postmaster General may designate to issue and pay money-orders at the stations or sub-offices in the same manner as at the main office.

An international money-order system for the exchange of postal orders between the United States and Switzerland was put into operation September 1, 1869. From that date to the close of the fiscal year, the number of orders issued in this country payable to beneficiaries in Switzerland, was 728, of the aggregate value of \$22,189 70; and the number of orders paid in this country for sums remitted from Switzerland was 665, amounting in value to \$20,450 92. The fees received amounted to \$527 46, and the expenses to \$94 77, leaving a net revenue to this Department of \$432 49.

Negotiations are now in progress for the establishment of an international exchange of postal orders between the United States and the United Kingdom of Great Britain and Ireland. It is hoped that a sys-

tem of that kind will soon be inaugurated, and that it will prove highly advantageous to the people of both countries.

MISCELLANEOUS.

The wonderful growth of the United States, in population and wealth, is strikingly displayed in the rapid expansion of the postal system. To illustrate the unprecedented development of the business of the Post Office Department, I have had carefully prepared, from official sources, a tabular statement, hereto annexed, showing the number of post offices and length of post roads in the United States, the annual amount paid for mail transportation, and the amounts, respectively, of the postal revenues and expenditures, at periods of five years, from 1790 to 1840, inclusive, and in each year from 1840 to 1870, inclusive.

In 1790 the number of post offices was 75, the length of post roads was 1,875 miles, the amount paid for transportation was \$22,081, the gross postal revenues were \$37,935, and the aggregate expenditures were \$32,140. On the 1st of July, 1870, there were 28,492 post offices, the length of post roads was 231,232 miles, the amount paid for transportation was \$10,884,653, the postal revenue amounted to \$19,772,220 65, and the expenditures to \$23,998,837 63.

In a plan for improving the Post Office Department, submitted by Samuel Osgood, Postmaster General, to Alexander Hamilton, Secretary of the Treasury, bearing date January 20, 1790, and which it is stated was prepared "in obedience to the orders of the Supreme Executive," the complaint is made that the postage on a single letter from Savannah to New York was thirty-three ninetieths of a dollar, equal to 36 $\frac{2}{3}$ cents. In 1870, a letter is carried for less than one-twelfth of that sum between the most remote post offices in the United States. In 1790, the mails were conveyed but three times per week between Boston and New York in summer, and twice in winter, occupying five days in transit, and only five mails per week were exchanged between New York and Philadelphia, requiring two days in each direction, the weight rarely, if ever, exceeding the capacity of horse-back mails. In 1870, three trips per day are made between Boston and New York, and six trips per day between New York and Philadelphia, of the average time of eight hours for the former, and three and a quarter hours for the latter; the daily weight of mails being 15,000 pounds between New York and Boston, and 20,000 pounds between New York and Philadelphia. During the first year of President Washington's administration, the number of letters transmitted in the mails did not probably exceed 300,000, and the annual transportation was about 350,000 miles. During the first year of the present administration, the number of letters carried in the mails could not have been less than 590,000,000, to say nothing of the immense amount of printed matter; and the aggregate of distances traveled amounted to 97,024,996 miles. These comparisons are sufficient to exhibit the great advance which the United States have made in the

short space of eighty years. The results are so astounding, that it seems impossible even at this day to predict the development to which our country will attain by the close of the current century, of which only thirty years remain.

FRANKING PRIVILEGE.

In my annual report of December 1869, and in my letter dated February 26, 1870, addressed to Hon. Schuyler Colfax, in reply to two resolutions of the Senate asking for information, I had the honor to present my views at length concerning the franking privilege. In both those communications I argued against the longer continuance of that evil, and earnestly recommended its immediate and absolute repeal. My experience in the administration of the Post Office Department for the past year has strengthened my convictions, and has induced me again to call the attention of Congress to the great abuses which have grown to be a part of the system, and to the uncompensated burdens which it imposes upon the service. I am thoroughly satisfied that if the franking privilege were repealed, and all matter passing through the mails charged with its fair share of postage, the Department would, in a short time, become self-sustaining. This assertion, when made heretofore, was warmly denied, and nothing was left but a resort to a demonstration by figures. As has been already stated, the deficiency for the last year has been reduced to \$2,814,116 98. Accurate accounts of the cost of free matter dispatched through the mails were ordered to be kept by all postmasters, for the six months beginning 1st January, and ending 30th June last, and the returns which have been received are now being arranged and tabulated for submission to Congress. I regret that, owing to numerous inaccurate and incomplete returns, and the failure of many postmasters to make any report, it has been impossible, with the limited number of clerks employed in the Department, to present the results in detail with this report. Enough is known, however, to enable those who are most familiar with the work to express the opinion that the actual returns will show the aggregate cost of free matter for the year to be fully equal to the above-mentioned deficiency. The term during which accounts were kept was confined to the first half of the year, when few elections were held, and when only a small portion of the public documents are transmitted. Should the amount of franked matter be accurately ascertained during a presidential canvass, and subjected to the postage charged upon other like matter sent by private individuals, I am convinced that the average cost per annum would be greatly enhanced.

My anxiety to make the Department self-sustaining arises from a strong desire to reduce, equalize, and make uniform the rates of postage. During the year 1870, the amount derived from letter postage was \$16,771,928 70, and the amount from newspapers and pamphlets was only \$934,332 99; and yet the weight and bulk of newspaper mails are

at least nine or ten times greater than those of letter mails. This shows that while newspapers are charged much less than the cost of their manipulation and transmission, letters are charged much more, and that the postage on letters should in fairness be reduced as soon as the finances of the Department will permit. If letter postage could be reduced from three to two cents, I am sure that the increased correspondence thereby stimulated would in a few years compensate for any temporary loss of revenue, and that many mistakes and vexatious delays would be avoided by the uniform rate for all distances which would thus be established. I despair, however, of securing any further reduction of letter postage as long as the franking privilege shall be permitted to impose upon the Department an irremediable deficiency.

It is not intended to intimate that there should be an increase of postage on newspapers. On the contrary, it is the duty of Government, as part of its work of beneficence, to aid in the education and elevation of the people by carrying newspapers as cheaply as possible; and hence I am of opinion that the present rates are not too low. Nor do I object to the free transportation of newspapers to regular subscribers in the counties of their publication, as now authorized by law. Their conveyance without charge does not interfere with the speedy and regular transmission of the mails. They are usually dispatched at the county towns, and always stop within the boundaries of their own counties. They are so evenly distributed over the whole country that practically they cause no inconvenience, or injury, or delay. There is but one change that I deem desirable in the treatment of newspapers, and that applies only to those sent to points outside the counties of their publication. I would require the postage on printed matter, in all cases, to be prepaid by stamps. The law allowing the postage to be paid in money by subscribers at the office of delivery is a departure from the accepted theory of post office management, and subjects the Department to heavy losses.

CORRESPONDENCE CARDS.

My attention has been directed to the new system of "correspondence," or "post cards," lately adopted by North Germany and by Great Britain for facilitating letter correspondence, and already extensively used in those countries. These cards are made of good stiff paper, of convenient form and size. The front or face of the card is ruled for the insertion of the address, and bears the post office stamp. On the reverse side there is room for a short letter or message, which may be printed or written in pencil or ink. They require no folding or envelope, are specially adapted for circulars or short communications, and are furnished to the public at the value of the postage stamp impressed upon them, which is in Great Britain half a penny, being one-half the established inland letter rate of postage. The advantages claimed by their use consist in increased celerity and ease of business and social intercommunication, by dispensing with much of the ordinary epistolary

form and appliances, and by having always at hand, ready for use at any moment—in the street, on a journey, or in places where pen, ink, paper, and envelopes are not accessible or readily obtainable—the essentials for a letter. For many messages where the telegram is now used, such as orders, invitations, inquiries, or other requirements of business or social life, these cards would be welcomed by the public as a simple, inexpensive, and convenient means of intercourse. They would create a new postal business, augment the number of correspondents, and greatly multiply the occasions and opportunities for writing. The want has been long felt of some such prompt and easy mode of communication by mail, adapted to the convenience and habits of business men, as well as of that large class of persons who have not the time or the inclination to write formal letters, and therefore seldom make use of the mails. Believing that the employment of these cards would be beneficial to the public, and result in a large increase of correspondence, I respectfully recommend that authority be given by law for their introduction into our postal service, at the rate of one cent each, including the cost of the card, as a first step toward a general reduction of our domestic letter postage.

CODIFICATION OF THE POSTAL LAWS.

The bill "to revise, consolidate, and amend the statutes relating to the Post Office Department," introduced at the last session by Hon. John F. Farnsworth, and referred to the Committee on the Post Office and Post Roads of the House of Representatives, is recommended to the favorable consideration and action of Congress. This bill contains the revised code of postal laws, as simplified, arranged, and consolidated by the commission appointed to revise and consolidate the statute laws of the United States, with such necessary amendments as were suggested by the committee of experienced postal officers, designated by me to make a careful and thorough examination of the report of the commission, to verify its accuracy, and to harmonize its details with the practical workings of our postal system. The code as revised and amended has been carefully examined and approved by the House Committee on the Post Office and Post Roads, and it is expected that the bill containing its provisions will be called up for action at the earliest opportunity after the assembling of Congress. Its preparation has been a work of great care and labor, and its enactment by Congress will furnish a condensed, simple, and convenient arrangement of the laws relating to the Post Office Department. I consider it very important to pass this code at the commencement of the next session of Congress, in order that if any additional legislation may be found necessary to perfect its practical operation, it may be secured before the close of the session.

ADHESIVE POSTAGE STAMPS.

The adhesive postage stamps adopted by my predecessor in 1869 having failed to give satisfaction to the public, on account of their small

size, their unshapely form, the inappropriateness of their designs, the difficulty of canceling them effectually, and the inferior quality of the gum used in their manufacture, I found it necessary, in April last, to issue new stamps, of larger size, superior quality of gum, and improved designs. As the contract then in force contained a provision that the stamps should be changed, and new designs and plates furnished at the pleasure of the Postmaster General, without additional cost to the Department, I decided to substitute an entire new series, one-third larger in size, and to adopt for designs the heads, in profile, of distinguished deceased Americans. This style was deemed the most eligible, because it not only afforded the best opportunity for the exercise of the highest grade of artistic skill in composition and execution, but also appeared to be the most difficult to counterfeit. The designs were selected from marble busts of acknowledged excellence, as follows :

One cent, Franklin, after Rubricht; two cents, Jackson, after Powers; three cents, Washington, after Houdon; six cents, Lincoln, after Volk; ten cents, Jefferson, after Powers's Statue; twelve cents, Clay, after Hart; fifteen cents, Webster, after Clevenger; twenty-four cents, Scott, after Coffee; thirty cents, Hamilton, after Cerrachi; ninety cents, Commodore O. H. Perry, profile bust, after Wolcott's statue.

The stamps were completed and issues of them began in April last. The superior gum with which they are coated is not the least of the advantages derived from the change. Upon the conclusion of the postal treaty with the North German Confederation, fixing the single-letter rate by direct steamers at seven cents, to take effect the 1st of July last, a new stamp of that denomination was adopted, and the profile bust of the late Edwin M. Stanton selected for the design. This has been completed in a satisfactory manner, but, owing to the temporary discontinuance of the direct mail steamship service to North Germany, it has not yet been issued to postmasters.

A new series of embossed envelope stamps, of oval shape, corresponding in colors and designs with the adhesive stamps already described, was adopted and issued on the 1st of July last.

COPPER AND NICKEL COINS.

The unavoidable accumulation of copper and nickel coins in the post offices of the country has become an evil of such magnitude as to require a speedy remedy. In some offices, the value of these coins on hand has been reported at sums ranging from eight hundred to a thousand dollars, by reason of the inability of postmasters to pay them out or exchange them. The law declares them to be legal tender in small sums for stamps and postal dues, but no sufficient provision has been made for their redemption or conversion into current funds. The revenues of the Department to the extent of these accumulations are practically locked up. In some places "cent coins" are not taken in general business transactions; consequently, they flow altogether to the post

offices. In other places the public obtain their supply of these coins from banks, and postmasters have no means of getting rid of them, except to a limited extent by the slow process of paying them out in making small change. In this manner postmasters are inconveniently compelled to "carry" balances which are wholly unavailable. A balance may appear on the books of the Department against a postmaster; but when a draft for the amount is sent in payment of mail service or of other indebtedness, the holder is astonished to find that he is expected to take a large amount of copper or nickel coins. These coins, not being a legal tender except in very small sums, cannot be disposed of without loss by the creditor, and of course are refused. Thus the credit of the Government is injured, and its mode of payment made the subject of complaint and derision. The attention of the Secretary of the Treasury was called to this matter by a letter dated the 2d of November, 1869, suggesting that some provision should be made for the relief of postmasters by the redemption of the coins in question. The Secretary was unable to afford any relief, although he had previously presented the subject to the attention of Congress. In view of these facts, I recommend the enactment of a law authorizing postmasters to transmit their surplus copper and nickel coins, in sums of \$50 and upwards, to the Treasurer of the United States, or to the nearest assistant treasurer or depository of public moneys, and to take credit therefor for account of the Post Office Department, the expense of transmission to be borne out of the general treasury. To prevent abuses, a provision ought to be inserted (unless the same privilege of conversion is given to private citizens) requiring each postmaster to make and forward to the treasury, sub-treasury, or depository to which the remittance may be made, an affidavit setting forth that the copper and nickel coins so transmitted were received for postages, stamps, envelopes, or postal dues, in the regular course of business.

ASSISTANTS AND HEADS OF BUREAUS.

In conclusion, it gives me pleasure to commend the efficient labors of my assistants and heads of Bureaus. During the past year they have devoted themselves with becoming fidelity and energy to the arduous duties of their several positions. I acknowledge their services with thankfulness, and, as a matter of justice, I renew my urgent recommendation for an increase of their compensation. In my judgment, the three Assistant Postmasters General, and the Superintendents of Foreign Mails, and of the Money-Order System should each receive an annual salary of \$5,000.

I have the honor to be, with sentiments of high regard, your obedient servant,

JNO. A. J. CRESWELL,
Postmaster General.

The PRESIDENT.

Statement of the postal receipts and expenditures of the

States and Territories.	Letter postage.	Newspaper postage.	Waste paper and twine.	Registered letters.	Stamps sold.	Emoluments.	Revenue taxes.
Maine	\$4,869 58	\$20,940 97	\$40 48		\$286,416 59	\$15,701 91	\$1,315 92
New Hampshire	2,108 45	13,854 75	88 43		182,193 31	7,788 36	790 00
Vermont	2,541 57	13,002 08	36 25		172,954 90	5,655 62	600 00
Massachusetts	26,204 13	42,944 06	523 50		1,306,050 48	75,890 87	4,580 17
Rhode Island	2,458 72	4,853 39	103 14		138,340 43	13,124 43	4,546 00
Connecticut	2,950 97	10,038 43	163 49		400,936 56	24,263 91	1,718 57
New York	124,433 00	111,389 67	645 06	\$0 60	3,738,321 98	138,964 22	11,553 04
New Jersey	9,647 56	16,176 73	99 30		331,749 50	15,643 51	1,502 11
Pennsylvania	34,823 74	71,076 73	869 39		1,698,307 30	61,215 70	5,087 74
Delaware	342 13	2,428 08	2 50		48,123 61	6,693 73	104 05
Maryland	9,733 33	12,538 68	92 47		344,582 30	9,268 46	1,152 29
Virginia	1,083 29	15,435 61	29 19		285,496 99	12,393 02	1,375 34
West Virginia	1,148 07	6,897 03	89 20		84,642 03	3,119 33	380 04
North Carolina	853 63	8,169 51	8 53	1 40	112,070 46	5,531 87	438 54
South Carolina	1,490 22	5,995 69	14 03		104,639 36	6,859 55	535 06
Georgia	2,165 37	13,579 01	80 74		220,343 53	21,302 17	1,174 09
Florida	852 37	1,840 09			37,470 55	3,125 75	205 00
Ohio	15,100 15	72,483 17	673 40		1,128,024 29	58,609 73	4,306 67
Michigan	14,634 44	35,350 74	455 31		404,571 03	37,315 03	2,553 73
Indiana	5,671 93	39,737 55	174 59		445,420 34	35,032 48	2,424 24
Illinois	38,423 97	68,677 34	327 98		1,347,033 05	80,110 53	5,860 58
Wisconsin	17,004 96	29,116 33	160 66		381,263 19	27,454 08	1,906 88
Iowa	11,440 53	32,016 31	98 35		432,568 09	36,503 33	1,951 84
Missouri	10,390 22	33,043 34	159 37		573,193 07	24,135 46	1,629 36
Kentucky	3,912 52	16,922 92	140 36	05	278,117 72	13,412 06	1,259 54
Tennessee	2,124 27	13,743 08	164 29		216,744 42	8,948 88	968 75
Alabama	1,693 89	8,807 02	44 09		147,355 54	12,641 94	591 81
Mississippi	1,361 76	7,069 08	27 60		118,141 72	9,739 11	697 56
Arkansas	730 41	3,815 53	8 83		58,653 02	4,740 41	182 93
Louisiana	12,419 01	7,759 74	23 40		245,749 73	34,963 57	2,333 39
Texas	4,352 78	13,305 68	25 73		170,529 13	19,176 08	1,193 21
California	18,653 75	25,719 91	212 06	4 20	413,392 91	39,241 32	2,739 39
Oregon	260 69	3,655 77	1 00		32,633 00	4,792 98	809 79
Minnesota	13,982 59	13,917 70	44 28		155,036 90	13,765 54	938 58
Kansas	2,587 76	10,229 29	13 03		154,641 34	14,454 83	792 17
Nebraska	1,763 80	3,857 08	30		68,400 41	5,704 78	301 25
Nevada	508 14	3,782 04	2 55		27,021 87	6,138 35	327 50
Colorado	507 41	2,180 14			27,225 78	8,665 79	391 23
Utah	860 55	2,150 51	8 65		20,355 90	1,964 74	157 74
New Mexico	135 69	308 50			9,579 71	701 48	53 29
Washington	102 00	988 17			7,671 09	559 21	7 50
Dakota	389 62	588 02			6,636 54	404 47	
Arizona	32 99	114 29	50		4,457 71	191 00	
Idaho	77 72	646 45			6,483 36	1,965 25	95 00
Montana	246 14	1,052 84			16,765 83	5,485 25	235 00
District of Columbia	3,696 21	3,125 48	112 37		109,067 24	6,098 10	1,188 45
Alaska	27 52	9 41			551 13		
Wyoming	74 34	411 53			17,579 05	2,034 50	92 50
Deduct miscellaneous items	414,572 00	837,699 78	6,776 14	6 25	16,592,522 99	934,433 63	65,640 21
Add miscellaneous items	890 30	1,971 79			17,472 55	6,557 16	610 80
	413,751 70	835,727 99	6,776 14	6 25	16,581,050 44	927,876 47	66,251 01

NOTE.—The following items of expenditure and revenue are not embraced in the above statement:

Amount paid for foreign mails and expenses of Government agents	\$1,109,038 75
Route agents, &c	1,079,490 41
Mail messengers and supply of special offices	383,183 95
Foreign postage collected and returned to foreign governments	168,965 34
Ship, steamboat, and way letters	3,947 59
Wrapping paper	25,530 15
Office furniture	419 30
Advertising	60,646 33
Mail bags	129,454 22
Blank agents and assistants	7,857 50
Mail locks, keys, and stamps	22,294 43
Mail depredations and special agents	94,808 18
Clerks for offices	38,801 03
Compensation to letter-carriers	1,321,340 69
Expenses, postage stamps, and stamped envelopes	507,534 97
Dead letters, "monies refunded"	

REPORT OF THE POSTMASTER GENERAL.

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United States for the fiscal year ended June 30, 1870.

Receipts.	Compensation of postmasters.	Incidental expenses of post offices.	Compensation and incidental expenses.	Transportation by States.	Expenses.	Excess of expenditures over receipts.	Excess of receipts over expenditures.
\$328,614 45	\$125,757 11	\$30,083 90	\$184,841 01	\$146,663 65	\$311,504 66	.....	\$17,109 79
266,221 30	86,253 93	14,414 92	100,668 85	65,051 76	165,720 61	.....	41,100 69
195,601 32	92,373 99	19,599 98	102,966 96	115,428 33	218,395 29	\$22,703 97	.....
1,456,194 11	276,698 24	233,684 62	510,382 86	256,669 70	767,053 56	.....	689,141 55
1,550,431 11	30,875 15	17,197 63	48,072 18	24,447 72	72,519 90	.....	86,911 21
452,671 93	130,730 95	52,895 21	183,626 16	133,120 17	316,746 33	.....	136,225 60
4,123,109 57	574,533 11	839,984 79	1,407,517 90	834,311 87	2,941,829 77	.....	1,853,279 80
1,375,018 71	123,832 71	26,904 62	150,737 33	166,183 03	316,920 36	.....	58,008 35
1,872,020 60	409,026 41	257,658 87	666,677 28	514,526 28	1,181,213 56	.....	691,867 04
51,692 07	17,162 58	3,353 89	20,516 47	25,514 36	46,030 83	.....	5,661 24
377,375 44	62,845 27	74,822 66	137,668 13	233,278 60	370,947 73	.....	6,427 71
296,714 04	97,002 36	49,438 96	146,440 42	270,997 89	417,438 31	120,724 97	.....
96,209 76	39,115 16	16,394 39	55,509 55	77,146 23	132,655 78	36,446 02	.....
127,674 00	50,080 60	10,474 44	60,555 04	144,181 80	204,716 84	77,641 94	.....
119,333 76	32,861 37	12,821 40	45,682 77	137,281 65	182,064 42	63,630 66	.....
208,644 91	71,038 23	32,604 01	110,642 24	168,100 53	278,742 77	10,097 56	.....
43,474 36	17,401 70	4,168 00	21,569 70	174,361 29	195,930 99	152,456 63	.....
1,272,591 41	351,699 97	160,513 44	512,212 41	761,152 04	1,273,684 45	.....	4,926 96
584,680 28	200,466 11	75,238 49	275,704 60	248,256 64	523,961 24	.....	60,919 04
528,481 75	202,113 13	78,260 71	280,373 84	304,640 94	588,014 78	56,533 03	.....
1,540,833 40	380,167 56	213,812 17	593,979 73	588,905 83	1,158,825 56	.....	387,947 84
456,699 05	170,377 64	43,265 36	213,643 00	236,904 63	456,607 63	.....	6,211 42
515,476 50	181,455 14	39,933 26	221,388 40	227,732 42	449,120 82	.....	66,353 68
642,615 82	135,124 54	97,437 20	232,621 74	372,337 39	604,659 13	.....	37,656 69
313,765 31	95,675 25	41,369 00	137,044 25	214,824 26	351,868 51	38,103 20	.....
242,713 69	66,606 31	49,597 01	116,203 32	152,632 49	266,235 61	26,122 12	.....
171,135 19	43,932 27	21,519 81	65,452 08	119,145 97	284,508 05	113,462 86	.....
137,836 79	55,470 70	10,416 01	65,886 77	168,034 50	323,921 27	50,684 42	.....
68,131 13	26,531 82	7,606 40	34,138 22	259,136 88	293,275 10	225,143 97	.....
300,653 50	55,524 86	58,275 23	83,800 09	240,136 94	323,937 03	23,283 53	.....
202,563 21	64,481 52	30,294 94	94,776 46	359,116 23	633,892 09	445,309 48	.....
499,958 38	85,577 98	85,362 69	170,940 67	722,485 55	893,426 22	353,467 64	.....
41,559 23	15,873 09	5,293 18	21,166 27	57,145 14	78,311 41	36,752 18	.....
197,685 60	70,428 22	17,795 39	88,223 61	182,967 53	271,191 14	73,505 54	.....
182,748 42	54,696 62	20,672 58	75,369 20	336,697 33	412,066 53	229,318 11	.....
80,027 71	18,308 20	12,047 91	30,356 11	313,527 45	343,883 56	243,655 65	.....
37,838 45	17,747 71	8,149 67	25,897 38	227,731 19	253,628 57	215,790 12	.....
38,970 35	16,502 77	6,401 61	22,903 98	53,204 42	78,108 40	39,138 05	.....
25,507 13	9,272 87	5,755 19	15,028 06	226,360 46	251,388 52	225,881 39	.....
10,778 58	6,002 52	184 17	6,186 69	317,617 14	323,903 83	313,025 25	.....
9,327 97	4,479 74	603 75	5,083 49	92,451 29	97,534 78	88,206 81	.....
5,018 65	3,172 90	.....	3,172 90	8,346 00	11,518 90	3,500 25	.....
4,816 49	2,742 22	109 00	2,851 22	128,864 68	131,715 00	126,699 41	.....
9,269 78	5,049 72	1,525 00	6,574 72	70,721 08	77,295 80	68,026 02	.....
23,805 06	10,039 46	4,563 50	14,602 96	97,397 37	112,000 33	88,195 27	.....
123,309 85	6,005 00	110,348 14	116,353 14	.....	116,953 14	.....	6,356 71
588 06	153 13	25	153 38	27,000 00	27,153 38	26,565 32	.....
20,191 92	4,767 36	2,667 05	7,434 41	.....	7,434 41	.....	12,757 51
18,857,651 00	4,568,656 85	2,903,822 10	7,474,478 95	10,884,808 65	18,359,287 60	3,760,671 43	4,199,034 83
26,211 00	.....	.....	.....	.....	.....	.....	26,211 00
.....	104,809 94	.....	104,809 94	67,037 12	171,847 06	171,847 06	.....
18,831,440 00	4,673,466 79	2,905,822 10	7,579,288 89	10,951,845 77	18,531,134 66	3,872,518 43	4,172,823 83

Miscellaneous payments	\$119,183 09
Money-order funds retransferred, (section 9, act May 17, 1864)	650,000 00
	5,635,420 00
Excess of receipts brought down	300,385 34
Excess of transportation accrued	167,717 03
Receipts on account of dead letters	8,023 30
Receipts on account of fines	28,476 45
Receipts on account of miscellaneous	11,437 90
Receipts on account of money-order funds deposited	892,843 00
Total excess of expenditures over receipts	4,226,616 98
	5,635,420 00

J. J. MARTIN, Auditor.

598 PAPERS ACCOMPANYING REPORT OF POSTMASTER GENERAL.

Statement of number of post offices and length of post roads in the United States, the annual amount paid for mail transportation, and the amounts of postal revenues and expenditures, at periods of five years from 1790 to 1840, inclusive, and in each year from 1840 to 1870, inclusive.

Years.	Number of post offices.	Length of post roads in miles.	Paid for transportation.	Postal revenues.	Expenditures.
1790.....	75	1,875	\$22,081 00	\$37,935 00	\$32,140 00
1795.....	453	13,207	75,359 00	100,620 00	117,293 00
1800.....	903	20,817	128,644 00	220,204 00	213,904 00
1805.....	1,558	31,070	239,635 00	421,373 00	377,367 00
1810.....	2,300	36,406	327,966 00	551,624 00	495,969 00
1815.....	3,010	43,743	487,779 00	1,043,065 00	748,121 00
1820.....	4,500	72,492	782,425 00	1,111,927 00	1,100,926 00
1825.....	5,677	94,052	785,046 00	1,306,525 00	1,229,143 00
1830.....	8,450	115,176	1,272,156 00	1,919,300 00	1,959,109 00
1835.....	10,770	112,774	1,553,222 00	3,152,376 00	2,565,104 00
1840.....	13,468	155,739	3,213,042 61	4,543,521 92	4,714,555 64
1841.....	13,778	155,026	3,034,813 91	4,407,726 27	4,449,527 61
1842.....	13,733	149,732	4,192,196 06	5,029,506 65	5,074,751 76
1843.....	13,814	142,225	2,982,512 47	4,296,225 43	4,374,753 71
1844.....	14,103	144,687	2,912,946 78	4,237,287 83	4,296,512 70
1845.....	14,183	143,940	2,898,630 48	4,439,841 80	4,320,731 99
1846.....	14,601	149,670	2,597,454 68	4,089,089 97	4,084,332 42
1847.....	15,146	153,818	2,476,455 68	4,013,447 14	3,971,275 12
1848.....	16,150	163,208	2,545,232 12	4,161,077 85	4,326,850 27
1849.....	16,747	167,703	2,577,497 71	4,705,176 24	4,479,049 13
1850.....	18,417	178,672	2,965,786 36	5,490,986 86	5,212,953 43
1851.....	19,796	192,026	3,538,063 54	6,410,604 31	6,278,401 64
1852.....	20,901	210,020	3,939,971 00	6,925,971 24	7,108,459 04
1853.....	22,320	217,743	4,495,968 00	5,940,724 70	7,962,756 59
1854.....	23,548	219,935	4,630,676 00	6,955,586 22	8,557,424 12
1855.....	24,410	227,808	5,345,238 00	7,352,138 13	9,968,342 29
1856.....	25,565	239,642	6,035,374 00	7,620,821 68	10,407,868 14
1857.....	26,586	242,601	6,622,046 00	8,053,951 76	11,507,670 16
1858.....	27,977	260,603	7,795,418 00	8,186,792 86	12,721,626 56
1859.....	28,539	260,052	9,468,757 00	7,968,484 07	14,964,493 33
1860.....	28,498	240,594	8,808,710 00	9,218,067 40	14,874,772 29
1861.....	*28,586	†140,399	15,309,454 00	9,049,296 40	13,606,750 11
1862.....	*28,675	†134,013	15,853,834 00	9,012,549 56	11,125,364 13
1863.....	*29,047	†139,598	15,740,576 00	11,163,789 59	11,314,206 84
1864.....	*28,878	†139,171	15,818,469 00	12,438,253 78	12,644,786 30
1865.....	29,550	142,340	6,246,884 00	14,556,158 70	13,694,721 22
1866.....	29,828	180,921	7,630,474 00	14,386,986 21	15,352,079 30
1867.....	25,163	203,245	9,336,286 00	16,137,026 87	19,215,483 46
1868.....	26,481	216,928	10,266,056 00	16,292,600 80	22,736,592 65
1869.....	27,106	223,731	10,406,501 00	18,344,510 72	24,698,131 50
1870.....	28,492	231,232	10,884,653 00	19,772,220 65	23,998,837 63

* Including suspended offices in rebellious States.
† Exclusive of routes in rebellious States.

REPORT OF THE COMMISSIONER OF AGRICULTURE.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 1, 1870.

SIR: In submitting the ninth report of the Commissioner of Agriculture, I have the gratification of representing as prosperous and productive in a high degree the foundation interest of the country, the source of supply of the physical wants of all classes, and the nursery of energy and virtue for the equally essential recuperation of the less healthy pursuits of life from their waste and enervation.

The season has been one calculated to test severely the capabilities of our soils. On the eastern slopes of the Alleghanian system, excessive rains at a critical period were followed by a lengthened drought; and throughout a large area of other sections of the country, unusual elevation of temperature has been combined with a diminished precipitation of rain, seriously affecting the vitality of plants weakened by starvation, shallow culture, overgrowing weeds or grasses, or imperfect drainage. Local decrease of small grains has resulted from these causes, counterbalanced in part by local compensations from climatic or other influences; yet the effect of high temperature has been so conducive to the growth of maize, the most valuable crop in our arable culture, the predominant element not only of the breadstuffs, but of the meat production of the country, that the material for food supplies of the year is greater than usual.

The fact of increased production, in a season remarkable for excessive heat, in a country assumed to be liable to injurious extremes of temperature and seasons of continued aridity, affords strong evidence of the available depth and fertility of our arable lands. The local diminution of yield enforces many a lesson of needed improvement in the drainage, comminution, and amelioration of imperfect soils.

An examination in detail of the facts of this year's production, in the light of enlarged agricultural experience and of science applied to husbandry, would furnish hints to improvement and aids to progress, which, if adopted generally, would increase the value of farm production to the extent of five hundred millions of dollars. It would do more—it would tend to the increase of the fertility of the soil, which now, in nine farms out of ten, is annually decreasing, and it would proportionably advance its intrinsic as well as market value.

It is gratifying to believe, from indubitable evidence, that the examples of rational and recuperative culture are relatively increasing, however

slowly, and gradually making inroads upon the destructive, irrational modes so generally prevalent. These examples are most numerous in the Middle States, are seen with comparative frequency in the older sections of the West, are found occasionally in New England, and are beginning to be noted in the Southern States; but there is no State in which exhaustive and irrational culture is not predominant. While the cost of good land is less than the interest on its intrinsic value, and its yearly income may be enhanced at the expense of the permanent investment, there is little hope that present necessity or short-sighted greed will fail to work its impoverishment; but with high, prices both of land and labor, it is more than folly to expect remunerative profits from unsystematic and unscientific culture.

The grower of tobacco, turning out his old fields to sedge and "poverty grass," with the full conviction that his crop is inevitably destructive to fertility, has now an occasional opportunity to learn that heavy yields are not inconsistent with annual improvement.

The wheat grower of Genesee, despondent over the waning productions of his fair fields, can turn to the example of a progressive neighbor, and witness the old munificence returning through the avenue of systematic rotation.

In Illinois, the specialist in wheat, taught wisdom by many lessons of experience and observation, is rapidly learning that prairie soils may be enriched by alternations of grass and roots with corn and wheat, all except the wheat being converted into meat, milk, butter, cheese, &c., upon the farm.

And cotton growers are learning that with a monopoly of their staple, a climate unsurpassed for perfecting it, and some of the richest lands of the world for its cultivation, their section has grown poorer with its continued culture, and can nowhere show a valley so replete with all the elements of wealth as that of the Mohawk, so long carpeted with grass and flecked with cattle. Profitable as cotton may be, and rich as the best Southern soils surely are, its culture as a special crop, apart from suitable alternating growths, will ultimately result in poverty and barrenness.

The enlightened agricultural economist, in deprecating exclusive special culture, whether of cotton, wheat, or other crops, objects to the irrational mode of cultivation, and not to the amount of production—inveighs not against a surplus, but opposes a practice reprehensible and ruinous, which tends directly and speedily to defeat the object of culture, and to belittle the rewards of labor.

INDUSTRIAL EDUCATION.

The organization of industrial colleges, under the land grant of Congress of 1862, chronicled in recent annual reports of this Department, has progressed during the past year. The Ohio College has been located in the vicinity of Columbus, with a fund of nearly half a million of dollars

from proceeds of lands, and a donation of \$300,000 from Franklin County. The Missouri Institution has also been organized, in Boone County, with local donations exceeding two hundred thousand dollars, and 330,000 acres of land located under the Congressional grant. Colleges had previously been organized, or departments of agriculture added to existing institutions, in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, West Virginia, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Kansas, and California. Nebraska is now perfecting an organization, and other States may have taken steps in that direction, of which no official or other information has been received.

The land scrip has been issued to most of the Southern States, and a portion of it has been sold, but I have heard of no action toward organization of colleges, and fear that the scrip has, in some instances, been frittered away by sales at nominal prices, as has been the case in many of the Northern and Eastern States. It is to be regretted that restrictions against sales at lower than Government rates had not been imposed upon the trustees of these institutions. Perhaps it would have been better still to have required the actual location of these lands, which would inevitably have resulted, under judicious management, in an ultimately larger income from rentals or subsequent sales. The more western States all pursued this course, with a fair prospect of realizing five dollars per acre instead of fifty to seventy-five cents.

I am confident that these institutions are destined to become a vital power in the land, and to wield an influence which colleges weighted with a "curriculum" of studies of classical ages can never exert; but it will be many years before their best fruits will begin to appear, and many mistakes will be made, (some of them, possibly, almost fatal in their character,) misconceptions of the sphere of their highest utility will occur, and inefficiency will undoubtedly mar the beauty of their practical results; but ultimately, when the grand idea of practical education in America shall be fully crystallized, and their faculties shall be composed of young and vigorous men developed within these institutions and under the influence of higher progression in physical and practical science, their true utility and beneficent influences will begin to appear.

I would respectfully suggest the importance of an authorization, by Congress, of a commission, under the direction of this Department, to examine minutely the plan of organization, the construction of buildings, management of grounds, and general workings of the industrial colleges organized under the Congressional land grant, with instructions to report to the next Congress, for the information of the country and the benefit of institutions of similar character yet to be organized.

STEAM PLOWING.

The inventive mind of the country is strongly stimulated with the hope of educating a distinctively American machine, better adapted to

the peculiar necessities of our agriculture than the most successful foreign apparatus. The annual for 1869 contains descriptions and illustrations of several patents of that year, and the volume for 1870 will show that these efforts have been continued during the present year. It is to be regretted that so many still adhere to the impracticable idea of locomotive traction. The reports of the actual work of the five steam plows now in operation in this country, are extremely favorable to the idea of ultimate success in the solution of the problem of steam plowing as an adjunct of our agriculture.

SILK CULTURE.

Silk culture in California has been attended with great success up to the present time, producers claiming that the climate of that State is peculiarly adapted to the rearing of silk-worms, on account of the dryness and equality of the temperature, and the rare occurrence of severe thunder storms. In Utah experiments have been made, with success, in feeding the worms upon the leaves of the osage orange instead of the mulberry. The Japanese silk-worm, *Samea cynthia*, on the ailanthus, is now perfectly acclimated, and breeds in the open air in Brooklyn, Philadelphia, and other places, but as yet I have heard nothing of the use of its cocoons in manufacture. Two other silk-producing worms, *Attacus yama mai* and *pernyi*, have been bred this season in Brooklyn, but are yet too scarce for a proper test of their value.

GOVERNMENT PLANTATIONS OF CINCHONA TREES.

Among the trees which may be introduced and acclimatized in our territory, there is none deserving more consideration than the Peruvian bark tree. Both England and France have deemed it necessary, in view of the increasing scarcity of quinine, to establish in their colonies plantations of the Cinchona tree. Its essential product is furnished to the world from a narrow belt on the slope of the Andes in Peru and Bolivia. The supply is limited and precarious, with no means of extension by propagation or cultivation in these South American nations. The tree is of rapid growth in favorable localities, and after six years may become an article of commerce. The commencement of cultivation ought not to be left to private enterprise, but should be initiated and supported in its early infancy by the establishment of one or more national plantations at points selected on account of their favorable climatic influences. The time is now opportune for commencing such a work, since a supply of young trees is easily obtainable from a source whence no real difficulty arising from transport and transplantation would occur.

The propagation of the Cinchona has been commenced in the experimental division of this Department, with highly successful results; and several hundred specimens now on hand will be increased to thousands whenever facilities are afforded for testing the feasibility of successful growth in the open air.

I earnestly hope that an appropriation will be granted by Congress for this purpose.

DEPARTMENT OPERATIONS.

The field of labor is so broad, the objects of attainment so manifold, in aid of progressive agriculture and enhancement of its productive resources, that the limited means at the disposal of the Department appear inadequate to the great work in hand. Yet a fair exhibit of its operations, it is confidently believed, will attest the wisdom of its origination and the profit of its labors.

Its work demands a higher order of talent than the routine service of most public business; it requires a knowledge of national economy, social science, natural history, applied chemistry, animal and vegetable physiology, and practical agriculture; and presents so broad a range of facts in each field of investigation as to demand the most active effort and the most persistent industry. For such labor the most meager compensation only is offered, and it is found difficult to obtain an increase of suitable service, and impossible to remunerate properly that already employed which is found to be most efficient and reliable, while that which is practically useless for the purpose is offered in unlimited measure. A just and wise revision of clerical salaries would greatly increase the efficiency of the Department.

The work of the past year includes the collection of the facts of production and experiment throughout the world, the publication of general and special reports, investigations in natural science in its relations to rural efforts, the introduction and propagation of many new and promising plants, and the increase and improvement of farm products by the dissemination of seeds and plants. Results of the most successful character in these directions will be shown in subsequent paragraphs, and in the accompanying reports of operations.

THE STATISTICAL DIVISION.

This division is the office of publication of the Department, and has issued during the past year the monthly reports and the annual for 1869, prepared for publication the cattle diseases reports, furnished statistical statements for congressional uses, and similar responses to inquiries of commercial and industrial boards or societies, and of individuals. The facilities employed in these investigations include not only trained and experienced correspondents representing about 1,300 counties, but the officers of an equal number of industrial societies of all grades, special correspondence with practical scientists and experts, and exchanges with governments and societies abroad. Foreign and domestic serial literature, industrial and commercial, is also explored for the extension, comparison, and verification of results. Difficult and arduous as are the labors required, and small as are the pecuniary means appropriated to the purposes of this division, abundant testimony is received of its comparative efficiency and practical value.

CATTLE DISEASES.

I have heretofore called attention to the imperative necessity for establishing a division of veterinary surgery in this Department. The value of stock lost annually from disease is enormous, and threatens not only to decimate our animals, but to expose the human family to disease from the consumption of unwholesome meats. Neglect of animals and their over-crowding in transportation, are prolific sources of disease, and its spread is permitted by the ignorance of a majority of the present class of veterinarians. Another class of diseases arises from causes but obscurely known, if known at all, and these fatal maladies are as yet without any indicated effort of cure, rendering necessary the barbarous plan of stamping out, recommended and adopted in other countries as well as our own, as the only means of saving the agriculturist or stock-raiser from total ruin.

A quarto edition of the reports arising from the cattle diseases investigation, conducted under the auspices of this Department, some of them never before published, is in course of publication. The volume will include reports as follows: A prefatory report to Congress by the Commissioner of Agriculture; one upon pleuropneumonia; on the effects of smut and other fungous growths upon corn and forage; the periodic or splenic fever of cattle, (the Texas cattle disease;) the pathological anatomy and histology of the respiratory organs; microscopic examinations of cryptogamic growths in fluids of diseased animals; and the statistical history of the Texas cattle disease. These reports will be illustrated by numerous chromo-lithographs, micro-photographs, copper-plate and wood engravings, the work of the best artists, from originals prepared in the office of the Surgeon General of the United States.

ENTOMOLOGY.

The correspondence of the entomological division has largely increased during the year, inquiries in regard to noxious insects having been received from all parts of the country.

The cotton army-worm appears to have been less destructive than usual, and few complaints of loss from other cotton insects have been made, while insects injurious to fruits and vegetables have been unusually numerous and destructive.

It is in contemplation to publish, whenever suitable authority is given for the printing and illustration, a work on entomology, prepared by the entomologist of the Department, in which known American insects of each order will be accurately figured upon copper plate, and which has been declared, by those competent to judge, the most complete and exhaustive effort ever made in this direction. It will be a valuable aid to practical entomology, and a desideratum for State entomologists and the naturalists of agricultural colleges, upon whose investigations and suggestions depends the possibility of reducing in some degree the losses

from insect ravages, which are annually computed by tens and even hundreds of millions.

An appropriation having been made at the last session of Congress for the purpose of obtaining models of the fruits best adapted to certain localities, the work has been commenced with a large collection of apples particularly adapted to the Southern and Middle States, and will be continued with new varieties from other sections of the country.

THE AGRICULTURAL MUSEUM.

During the year many valuable additions have been made to the museum, under the charge of the entomologist, by voluntary contributions or exchange, without the aid of any appropriation whatever for the purchase of new or rare specimens. The collection of fibers from abroad has been increased by a series of articles of lace-work and embroidery equaling in beauty the finest point lace, manufactured by the peasant women of Fayal, Azores, from the bitter aloe. From Basle, Switzerland, a fine collection of articles of silk manufacture has been received, together with samples of the aniline dyes used in coloring them. Samples of manufactured California silk have also been received. A series of cotton samples from countries other than the United States, in use in England during the late war, illustrates the effort then made for a supply during the cotton famine. Among other contributions may be mentioned samples of fruits, grains, and other farm products from agricultural fairs in the West and South, and from individuals in various parts of the country, birds, insects, and other specimens of natural history.

BOTANICAL COLLECTIONS.

The Department herbarium continues to receive large accessions to its material for systematic study and illustration of the vegetable kingdom. The additions for the present year already exceed four thousand species; these include a nearly complete set of Cuban plants procured from Mr. Charles Wright, an excellent botanical collector. Large and valuable collections have been received through the Smithsonian Institution from several of the learned societies of Europe, which give expression to an earnest desire to procure American plants and seeds in return. The various Government explorations now in progress, and local collections from army officers stationed at different frontier military posts, are constantly affording a large amount of material for the purpose of exchange and distribution. Dr. E. Palmer, who has been making special collections for this Department in the Western Territories, has forwarded from time to time living and dried plants and seeds. This collection is now in process of elaboration by the distinguished American botanists, Drs. Gray, Torrey, and Engelmann, and includes a considerable number of plants new to science, which will be greatly

prized by scientific botanists, and eagerly sought by botanical institutions at home and abroad.

The design of establishing at the seat of Government a collection of plants worthy the name of a national herbarium is thus in process of rapid accomplishment, at comparatively small cost; and it is confidently expected that this collection, now probably the third in point of size, will eventually exceed all others in the amount and value of its material for illustrating North American botany.

With a view to acquiring more direct information of the manner of arranging and displaying the usual botanical collections accumulated in the Old World, the botanist of the Department received leave of absence the past summer for a visit to Europe, which was made without expense to the Department. Every facility was freely enjoyed of inspecting the immense collections at Kew, and in the British Museum, and of learning the most approved methods of preparing and arranging plants for study and reference. Profiting by these results of large experience, we may hope eventually to rival the results obtained by these world-renowned institutions.

THE LIBRARY.

The library has been increased during the year by the collection of eight hundred and fourteen volumes, obtained through exchanges and by purchase, many of which are rare and valuable; and one hundred volumes of periodicals, now ready for binding, with further additions yet to be made, will swell its total increase for the year to about one thousand volumes. Scientific and practical botany, hitherto inadequately represented in the library, is a prominent element in the accessions of the year. The operation of the system of foreign exchanges, so hopefully inaugurated, promising to furnish at a nominal cost the choicest productions of the foreign scientific and industrial press, especially that of Germany and France, has for several months been suspended in those nationalities by the existing war, while exchanges with other countries are increasing in number and importance.

THE DEPARTMENT GROUNDS.

The improvement of the grounds of the Department is steadily advancing toward completion in accordance with the original plan. A wall, appropriate in design and of sufficient strength, has been erected as a suitable and necessary support to the terrace walk in front of the building. This feature adds much to the appearance of that portion of the grounds, and when finished, with balustrades and other appendages, will form a proper finish and coincide with the style of architecture in the building.

The walks and roads are being completed and extended; all those of the western division of the front grounds are in course of construction. The covering of tar and asphalt concrete proves very suitable, when

properly prepared and laid, for light roads and walks. Its marked cleanliness and freedom from vegetable growths are strong points in its favor, which command an increasing appreciation.

The planting of the arboretum of hardy trees and shrubs has been prosecuted as rapidly as the materials could be collected. Most of the plants yet to be procured are rare, and must be selected and imported from distant countries, a circumstance which necessarily retards the completion of the collection. When completed, this will prove a valuable addition to the working efficiency of the Department, and is already, even in its present state, attracting the attention and gaining the appreciation of scientific men.

THE NEW CONSERVATORY.

Under a system of rigid economy the objects for which appropriations were made at the last session of Congress, viz., the erection of glass structures to be used in the propagation of economic plants, the improvement of the Department grounds, and the extension of the arboretum, have been attained; and the conservatory building, for which an appropriation of \$25,000 was made, includes a grapery, not contemplated in the original plan; and the entire structure is perhaps unsurpassed in this country for utility and ornamental effect, and only excelled in Europe in one or two instances. The building was commenced about the 1st of August, and is now nearly finished, a large portion being already occupied. The main building is 320 feet in length, with an average width of 28 feet. The center compartment (60 by 30 feet) will be finished for the accommodation of the tall-growing tropical fruits, nuts, and palm trees. The two end buildings, 30 feet square, will be mainly devoted to the orange family and similar fruits, that require slight protection during the winter. The connecting wings will be used for the general collection of specialties. The grapery, directly in the center, and in the rear of the main building, a structure 150 feet in length and 26 feet in width, has been erected for cultivating and testing the best and most select varieties of foreign grapes. The adaptability of the climate and soil of the Pacific coast to this fruit is now fairly established, and the best varieties are objects of special inquiry.

The important object for which this is designed should not be overlooked or misunderstood. It is not intended for the cultivation of merely ornamental plants, though some attention will be given to them, so far as may be necessary to keep up a practical acquaintance with the improved flora of other countries; but will be occupied mainly for the propagation and experimental culture of all plants that may be utilized in the arts, in medicine, or in food supply, and which promise success in their introduction among the paying crops of the country.

There are few plants desirable for their economic value which may not be produced in some sections of our continental domain; and the extent and cosmopolitan character of our immigration suggest, if not

require, the greatest variety in production consistent with economy of labor and other peculiar circumstances of our condition. The progress of events shows that farmers and planters are alive to the necessity of such diversity; and this idea should be fostered and encouraged, as it is one of the most reliable indices of progressive cultivation.

Among other species of valuable plants already in the collection may be mentioned the *Ipomœa purga*, producing the jalap; *Hura crepitans*, the sand box tree; *Jatropha curcas*, a medicinal plant; *Bixa Orellana*, the arnotto plant; *Manihot utilissima*, the cassava; *Theobroma cacao*, the chocolate tree; *Andropogon Schœnanthus*, or lemon grass; *Elletaria Cardamomum*, the cardamom plant; *Amomum Melegueta*, a carminative; *Tamarindus Indica*, the tamarind tree; *Asclepias Curassavica*, a medicinal plant; *Cinchona*, of various preferred species, the Peruvian barks; *Sesamum Indicum*, famed for its oil products; *Abrus prœcatorius*, the Jamaica liquorice; *Laurus Camphora*, the camphor plant; *Cinnamomum verum*, the cinnamon tree; *Acaciacatechu*; *Mesua ferrea*, a medicinal plant; *Guilandina Bonduc*, an oil-bearing plant; *Piper Betel*, the betel plant; *Clusia flava*, the balsam tree; *Piper cubeba*; *Dorstenia Brasiliensis*; *Hamatoxylon Campechianum*, *Dracaena Draco* and *Pterocarpus Marsupium*, famed dye plants; *Croton Tiglium* and *Elæis Guineensis*, valuable oil-producing trees, with other medicinal species.

Of fruits, the various *Musas*, especially the *M. Cavendishii*, or dwarf banana; *Psidium*s, or *Guavas*, so famed as a condiment; the *Mangosteen*, *Garcinia Mangostana*; the mamee apple, *Mammea Americana*; *Achras Sapota*; *Limonia Americana*; *Mangifera Indica*, the mango tree; *Chrysophyllum Cainito*, the West Indian star apple; *Papaya vulgaris*, the melon apple; *Monstera deliciosa*; *Nephelium Longanum*; *Anona Cherimolia* the cherimoyer; *Anacardium occidentale*; the date palm, *Phoenix dactylifera*, the Brazil nut of commerce; *Bertholletia excelsa*, and the monkey cup nut, *Lecythis*; *Illicium floridanum*, the aniseed plant, and others of the pome and nut families.

The plants that furnish the various gums, dyes, resins, oils, and fibers of commerce, are very numerous, and many species have not yet been introduced. Of the fibrous plants in the collection of the Department may be mentioned the *Musa textilis*, the manilla hemp plant; various species of *Hibiscus* and *Asclepias*, *Bromelia*, and *Urtica*. The *Paderia fœtida*, a new fiber plant recently brought into notice, has also been secured for trial. Those producing material for the manufacture of paper are specially worthy of trial and experiment. Conspicuous among utilizable plants is the extensive family of palms, so rich and varied in their products of food, medicine, and clothing. Of this extensive series but few have yet been added to the collection.

The distribution of seeds and plants of the China grass, *Bahmeria nivea*, has afforded the opportunity to ascertain its proper culture and to become familiar with its growth, resulting in the conclusion that its culture can be successfully prosecuted whenever the perfection of machin-

ery for its preparation may demand it. The jute plant, *Corchorus capsularis*, is also giving entire satisfaction as to growth and production.

It is believed that the profitable extension of production, by the contemplated introduction of new plants, and the enlarged culture of crops now yielding only partial supply of the home demand, such as sugar cane, rice, grapes, and semi-tropical fruits, and possibly tea to the extent of a family supply in suitable latitudes, may increase the annual value of rural production to the extent of two hundred millions of dollars, thus accomplishing a revenue reform which would save to the country that magnificent sum in addition to the amount of import duties which would be collected upon such an importation.

Though such success should not be attained, there can be no doubt whatever that many new plants may be successfully acclimated, any one of which may exceed in value the total amount of all appropriations hitherto made to this Department.

DISTRIBUTION OF SEEDS.

The number of packages issued during eleven months of the year number 358,391, of which 133,043 were sent to members of Congress, 71,865 to agricultural societies, 71,400 to the corps of statistical correspondents, 7,960 to meteorological observers. The distribution includes seeds of cereals, grasses, hemp, jute, ramie, opium poppy, sugar beet, tobacco, sorghum, forest and shade trees, and many of the rarer species of plants oleaginous, edible, medicinal, and fibrous. The most abundant and convincing evidence of the great economic value of this distribution can be obtained from the archives of the Department, or gained from the sub-reports in recent annual volumes.

FINANCIAL.

The total amount expended by this Department since November 30, 1869, the date of my last report, is \$169,175 24, under the following appropriations, to wit:

Compensation of Commissioner, clerks, and employés	\$68,712 03
Collecting statistics and material for annual and monthly reports.....	14,206 51
Purchase and distribution of new and valuable seeds.....	20,739 31
Experimental garden, for labor, repairs, purchase of plants, &c.....	10,195 58
Contingencies—Stationery, freight, fuel, lights, for laboratory, museum, library, herbarium, keep of horses, &c.....	15,108 26
Improvement of grounds, (reservation No. 2).....	16,017 79
Erection of glass structures for the cultivation of medicinal, textile, and economic plants.....	22,468 37
Miscellaneous	1,727 39
Total	169,175 24

Leaving a total balance unexpended of the appropriation for the current fiscal year of \$107,370.

HORACE CAPRON,
Commissioner of Agriculture

His Excellency, U. S. GRANT, *President*.

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